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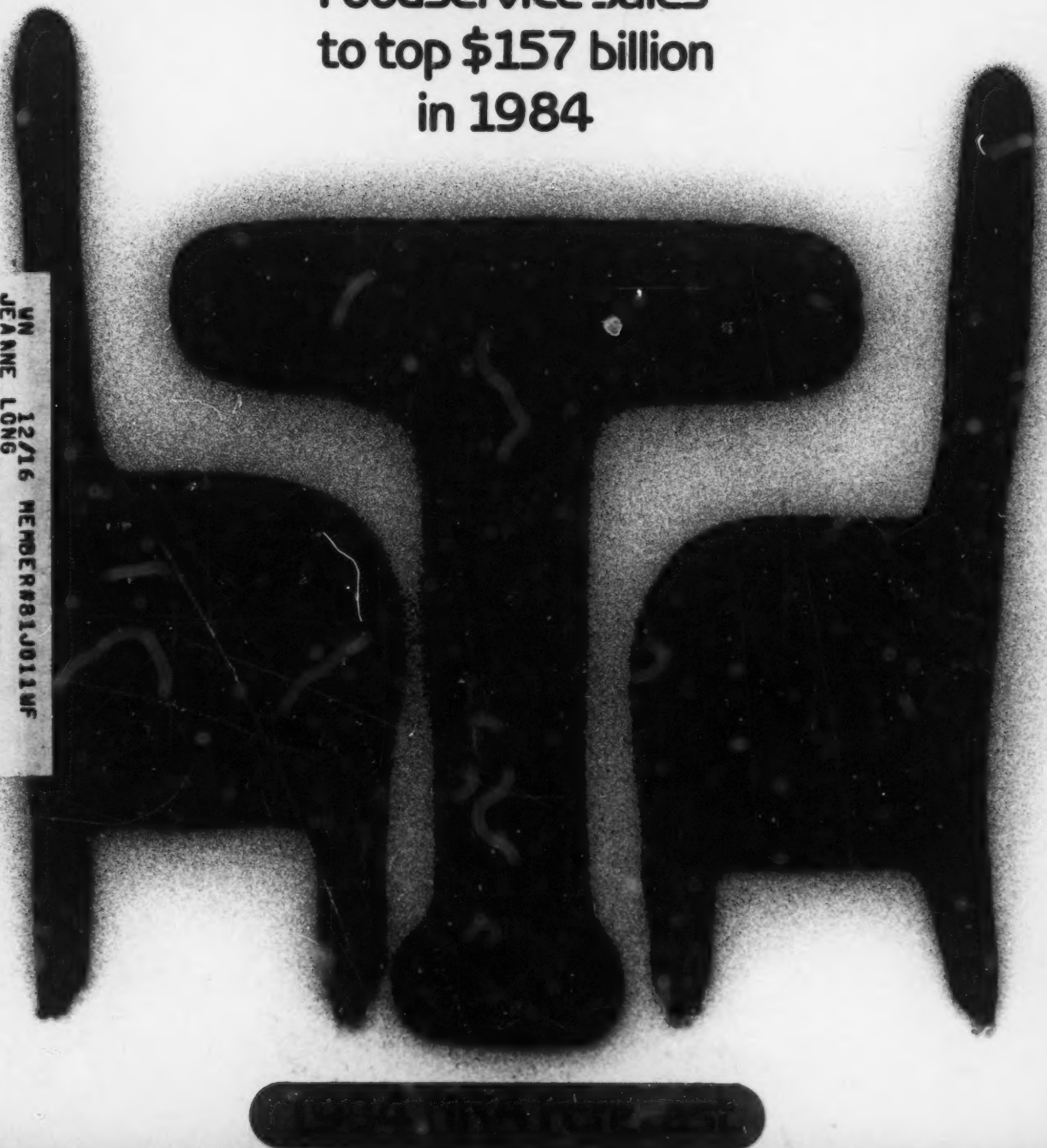
National Restaurant Association Vol. 3 ☐ No. 11 ☐ December 1983

NRA NEWS

A Glowing Year Ahead

Foodservice sales to top $157 billion in 1984



WN
JEANNE LONG
CONGRESSIONAL INFORMATION
SERVICES INC
4520 EAST-WEST HWY
WASHINGTON DC
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NRA Annual Forecast Glows

The news is good. Next year foodservice sales will reach $157 billion. Once you correct for inflation, that is real growth of 3.5 percent for 1984, following 3.7 percent for 1983. The foodservice industry is showing steady growth.

The reasons are clear. The economy has improved dramatically. People now have extra discretionary funds and want to spend a good portion of that money on food away from home. Imaginative foodservice companies that offer quality food and hospitable service should thrive.

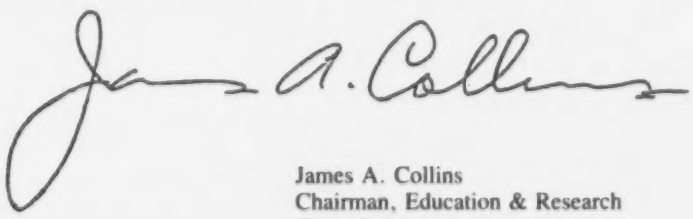
What can stand in the way of prosperity? Only our own sluggishness. In a phase of growing sales like we are experiencing now, it is essential that operations stay abreast of customer needs and wants.

Recent NRA research, for instance, shows that 40 percent of American consumers have changed their eating habits when dining out. They want more "light food"—food that is high in fiber and low in animal fats, salt and sugar. Another NRA survey shows that 47 percent of our customers want more ethnic foods. They would like to see foods from foreign countries added to our regular menus. These people will go to the restaurants that offer them what they want.

To keep up with such trends, you should follow the research conducted by NRA and made available to you in this magazine and other special NRA publications.

What other forces could interfere with our continued prosperity? We have to keep our eye on the government. There are people in Washington who want to raise the minimum wage, eliminate the tip credit and reduce the business meal deduction. There are people in the federal bureaucracy who would like to see us labeling ingredients on menus. There are people in our own states who would like to extend third party liability and institute local meal taxes. These people do not take into consideration the disruption these changes will cause in our businesses.

How do we protect ourselves from damaging laws and regulations? By working together through our state and national restaurant associations. In fact, in a time of prosperity, we most need the NRA. Only by pooling our ideas and our energy through our association can we maintain the steady growth our industry is experiencing.



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NRA NEWS

Vol. 3 No. 11 December 1983

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James T. Rogers
Editorial Typist
Barbara Foley
Valerie Pines

Editorial offices and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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SHORT ORDER

$1,000 free insurance for NRA key members

As a special new service for members, NRA will begin providing all key members with an opportunity for $1,000 free insurance coverage under the new NRA Personal Accident Insurance Plan. Members need only complete a beneficiary description form to put the insurance into effect—it costs members nothing! Of course, your 1984 dues must be paid, too.

This insurance provides coverage for accidental death, dismemberment and accident impairments. It pays 100 percent of the benefit for accidental death and up to 100 percent of the benefit for total loss of limbs or sight *as well as* "loss of use" of limbs or sight.

"Loss of use" coverage means the plan not only covers total loss and accidental death but also the everyday use of eyes, hands, arms, feet, fingers and toes. In addition, the plan covers the accidental loss of speech and hearing. These coverages are not usually found in most accident plans, and NRA is pleased to be able to provide this type of protection.

Besides the $1,000 no-cost coverage, members and their families are eligible to add up to $250,000 additional coverage under this same plan. The acceptance of members and spouses is guaranteed regardless of age. Unmarried, dependent children must be between the ages of 14 days and 19 years (23 if a full-time student) to qualify.

Detailed information about the complementary $1,000 insurance coverage and additional insurance offer will be sent to key members in December. Watch for your beneficiary designation form at that time. For answers to questions concerning this plan, contact NRA's insurance administrator: Albert H. Wohlers & Co., NRA GROUP INSURANCE PLANS, 1500 Higgins Road, Park Ridge, IL 60068.

American Express sponsors CityMeals-on-Wheels restaurant week

In an effort to give exposure to New York-area restaurants while raising money to help provide weekend meals to the homebound elderly in 1984, American Express sponsored a CityMeals-on-Wheels restaurant week, November 14-20. More than 250 restaurants participated by hosting special fund-raising events, contributing a percentage of receipts or making direct donations to the New York City's Department for the Aging CityMeals program.

To elicit support for restaurant week, American Express funded a massive direct mail campaign to the city's 16,000 restaurants, then underwrote special advertising to publicize the week's events and the restaurants that hosted them. Net receipts from restaurant week exceeded $200,000, with additional donations still running as high as $12,000 a day as a result of the highly successful campaign.

NRA computer conference in the works

NRA's National Conference, Computers in Foodservice, will be held February 19-22 in Orlando, Florida. Representatives from computer companies across the country will be on hand to explain their equipment and answer your questions. See back cover of this issue of ***NRA NEWS*** for more information.

NRA studies ethnic food consumption

A recent NRA consumer survey reveals the most popular ethnic foods in restaurants. See the chart in the 1984 Forecast edition of *Foodservice Trends* for the rankings. An in-depth article on ethnic foods will appear in the ***NRA NEWS*** early in 1984.

NRA Chicago office relocates

The NRA Chicago office, which houses the NRA convention and technical services departments, has moved to One Park Place, Suite 2000, Chicago, IL, 60601. The new telephone number is (312) 853-2525.

Tip Reporting kits sent to members

Each association member should have received NRA's Tip Reporting Kit. Contact NRA's government relations department if yours has not arrived. The two-part portfolio outlines initiatives for working with Congress and your employees to amend current tip reporting requirements.

National Meat Week set for January

To address consumer misconception about red meat and to emphasize meat's important dietary contribution, the American Meat Institute (AMI), its member companies and related industry organizations will inaugurate National Meat Week, January 22 to 28, 1984. The U.S. Senate officially endorsed the celebration last month, which will become an annual event.

The National Meat Week is part of a continuing series of nutrition education programs sponsored by the meat industry to emphasize the quality, nutritional value and economy of meat.

The theme for the week—"Meat, food for fitness"—has been chosen to illustrate the association between red meat and good health. Also, the theme piggybacks on the U.S. Department of Agriculture (USDA) ongoing food for fitness campaign, and the logo—a characterization of two runners—ties in with the 1984 Olympics.

The American Meat Institute has put together a planning guide for National Meat Week to assist in planning and coordinating promotional activities. For a catalog of materials available from AMI—including stickers, buttons, sandwich charts, a shopper's buying guide and T-shirts—contact Cindy Thornburg, American Meat Institute, P.O. Box 3556, Washington, DC 20007; 703/841-2400.

WASHINGTON REPORT

1983 legislation in review

Tip reporting, immigration reform, sodium bisulfite, the drinking age—these were some of the more important industry concerns of 1983. Some of them received extensive attention in Congress, while others were considered by federal agencies and the courts. Here's a review of major 1983 issues.

Tip reporting...

Jan. 1, 1983, ushered in a new and unpopular law to increase tip reporting compliance in the restaurant industry. A part of the 1982 tax act, it had been opposed by NRA and other hospitality groups. Once it became a reality, NRA set out to make restaurateurs aware of their new reporting responsibilities. At the same time, it sought changes in the new law that would make compliance easier for employers and more equitable for employees.

NRA pressed for technical changes in new IRS rules. After it became apparent that regulatory changes would not be satisfactory, it pushed for corrective legislation.

NRA's work in the tip reporting area reached a peak on Aug. 4, when U.S. Reps. John Duncan (R-TN) and Andrew Jacobs (D-IN) introduced H.R. 3803, a tip relief bill that embodied changes called for by the NRA board of directors at its May meeting. The bill would eliminate allocation requirements, exempt from the law those establishments where tipping falls below five percent of sales, and base coverage of the law on the number of employees in a unit rather than in a firm.

As the first session of the 98th Congress drew to a close, the list of the bill's sponsors had grown from the original two to 78. And shortly before Congress adjourned in November, Sen. Howell Heflin (D-AL) introduced a bill identical to H.R. 3803, giving NRA a foothold in the Senate (see related story).

With interest in the issue high, NRA hopes the House Ways and Means Committee will take up the bill next year and that the companion measure will move forward in the Senate.

Immigration reform...

In what came as a surprise to many, immigration legislation was kept bottled up in the House Rules Committee this fall, effectively postponing any reform action until next year. The measure passed the Senate earlier this year and was ready for House consideration, but Speaker Thomas (Tip) O'Neill (D-MA) announced in October that he would block attempts to bring the bill (H.R. 1510) up for debate.

The legislation contained a controversial provision that would subject employers to fines and/or imprisonment for "knowingly" hiring an illegal alien. In addition, the Senate bill required employers to verify a prospective employee's legal status by checking at least two forms of identification.

It also required that employers keep on file for five years records substantiating that each new employee's IDs had been checked. The House measure contained an NRA-supported amendment that made these recordkeeping requirements voluntary. Recordkeeping would become mandatory, however, if an employer were found to have hired an illegal alien.

Sodium bisulfite use...

Several reports surfaced early this year linking the preservative sodium bisulfite to adverse reactions in restaurant patrons. Reported reactions to foods or beverages containing sulfites have ranged from nausea to loss of consciousness.

Realizing that continued use of the chemicals could pose a safety hazard to customers, NRA asked its members to stop using sulfiting agents until after the Food and Drug Administration (FDA) determined whether or not use of sulfites creates a safety hazard.

Later FDA asked those state health agencies that have adopted FDA model codes to request food retailers (including restaurants) to post signs or indicate on the menu that sulfites are used in food preparation.

FDA has said that any changes in the use of sulfites, which remain on the agency's Generally Regarded As Safe (GRAS) list, would come next spring at the earliest.

NRA continues to recommend that employers not use the preservatives.

Taking the Labor Department to court...

Does a Department of Labor (DOL) compliance officer have the right to enter your restaurant and conduct an unrestricted investigation of your employment practices without first stating the reason for such an investigation and obtaining a court-authorized search warrant? That is the issue the Supreme Court took up on Nov. 29, in what was undoubtedly the most important court case affecting the restaurant industry this year.

In 1982, the U.S. District Court of North Dakota ruled in favor of Lone Steer, Inc., a restaurant and motel operation in Steele, ND, when the manager refused to allow a DOL agent on the premises until a court-obtained search warrant was produced. DOL decided to appeal the case directly to the Supreme Court since the decision has the potential of significantly altering DOL auditing procedures.

Because of its importance to the industry, NRA filed a friend-of-the-court brief in support of Lone Steer. NRA argued that DOL's current practice of

random, unannounced and disruptive on-site inspections is a violation of the Fourth Amendment, which protects citizens from unreasonable searches and seizures. Lone Steer's position was also buttressed by an earlier Supreme Court decision. That decision invalidated DOL inspection powers under the Occupational Safety and Health Act (OSHA) to search the work area for safety hazards.

The Supreme Court's decision is not expected until early spring.

Congress adopts changes in dairy price supports...

Purchases of surplus dairy products by the U.S. government have continued to soar in recent years despite attempts by Congress to stem milk production. The cost to the taxpayers is now over $2 billion a year.

This fall, Congress adopted yet another measure to reduce dairy price supports. The legislation would reduce by 50 cents per hundredweight the current price support, and it would pay farmers $10 per hundredweight for not producing milk—up to 30 percent of their base quantity.

NRA supported an ill-fated amendment by U.S. Rep. Barber Conable (R-NY) to reduce the price support further and eliminate the paid diversion proposal. Conable's amendment would have saved consumers $1 billion next year, according to the Congressional Research Service.

Drunk driving legislation introduced...

Once primarily a state issue, legislation to raise the drinking age and to crack down on drunk driving is picking up support in Congress. Several bills to raise the drinking age to 21 were introduced in Congress this year. One of them, a bill by U.S. Rep. James Florio (D-NJ), was reported out of a House Energy and Commerce Subcommittee in October and was close to full committee markup before Congress adjourned. It has over 30 cosponsors and would make it illegal to sell alcoholic beverages to individuals under the age of 21.

Heflin introduces tip bill in Senate

U.S. Senator Howell Heflin (D-AL) has introduced a tip reporting relief bill (S. 2070) that is identical to the NRA-backed House bill, H.R. 3803. The bill was introduced on Nov. 8 and has been referred to the Finance Committee. Like H.R. 3803, the bill would eliminate the burdensome allocation provision. In its place would be the requirement that an employer provide IRS with easily-obtained employee information if reported tips fall below eight percent of sales. The bill also would provide relief for employees who earn tips of less than five percent, and it would apply the law to individual units rather than to firms.

Heflin said he introduced the bill because he fears the new law will "generate a bureaucratic nightmare of recordkeeping and reporting for small businesses" and "create an adversary relationship between the employer and his employees."

78 cosponsors for H.R. 3803

H.R. 3803, the NRA-backed tip reporting bill in the House of Representatives, continues to pick up cosponsors. When Congress adjourned for the holidays, 78 representatives had signed to cosponsor the bill.

If you haven't already contacted your congressman about this bill, do it while he (or she) is home during the holidays. Call your congressman's district office. If you would like information about the bill, contact the NRA Government Relations Department in Washington, DC; 800/424-5156.

End of the year tally

H.R. 3803

SPONSORS:
John Duncan (R-TN)
Andrew Jacobs (D-IN)

COSPONSORS:
Democrats
1. Gus Yatron (D-PA)
2. Ron Wyden (D-OR)
3. Ray Kogovsek (D-CO)
4. Jim Bates (D-CA)
5. Charles Whitley (D-NC)
6. Dan Daniel (D-VA)
7. Robin Tallon (D-SC)
8. Tony P. Hall (D-OH)
9. Abraham Kazen, Jr. (D-TX)
10. Ike Andrews (D-NC)
11. Barney Frank (D-MA)
12. Tim Valentine (D-NC)
13. Katie Hall (D-IN)
14. William Hughes (D-NJ)
15. Tony Coelho (D-CA)
16. Patricia Schroeder (D-CO)
17. John F. Seiberling (D-OH)
18. Tom Lantos (D-CA)
19. Timothy Penny (D-MN)
20. Peter Kostmayer (D-PA)
21. Bill Boner (D-TN)
22. Douglas Applegate (D-OH)
23. Bob Traxler (D-MI)
24. Douglas Bosco (D-CA)
25. Paul Simon (D-IL)
26. Bill Patman (D-TX)
27. Kent Hance (D-TX)
28. Jim Slattery (D-KS)
29. Robert Torricelli (D-NJ)
30. Pat Williams (D-MT)

Republicans
1. Gene Taylor (R-MO)
2. William Dickinson (R-AL)
3. Pat Roberts (R-KS)
4. Ron Marlenee (R-MT)
5. Lyle Williams (R-OH)
6. Phil Gramm (R-TX)
7. William Whitehurst (R-VA)
8. Jerry Lewis (R-CA)
9. Larry Hopkins (R-KY)
10. J. P. Hammerschmidt (R-AR)
11. Bob McEwen (R-OH)
12. Carroll Campbell (R-SC)
13. Tom Kindness (R-OH)
14. Hamilton Fish (R-NY)
15. Thomas J. Bliley (R-VA)
16. James H. Quillen (R-TN)
17. Marjorie S. Holt (R-MD)
18. J. Kenneth Robinson (R-VA)
19. David Dreier (R-CA)
20. F. James Sensenbrenner (R-WI)
21. Gene Snyder (R-KY)
22. George Hansen (R-ID)
23. Clarence Miller (R-OH)
24. John R. Kasich (R-OH)
25. Stewart B. McKinney (R-CT)
26. Arlan Stangeland (R-MN)
27. Silvio O. Conte (R-MA)
28. Toby Roth (R-WI)
29. Robert J. Lagomarsino (R-CA)
30. Joseph McDade (R-PA)
31. Frank Horton (R-NY)
32. Robert F. Smith (R-OR)
33. William F. Clinger (R-PA)
34. Bill Emerson (R-MO)
35. Howard Nielson (R-UT)
36. Stan Parris (R-VA)
37. Robert S. Walker (R-PA)
38. Dan L. Burton (R-IN)
39. Gene Chappie (R-CA)
40. William Broomfield (R-MI)
41. Don Young (R-AK)
42. Eldon Rudd (R-AZ)
43. Vin Weber (R-MN)
44. Elwood Hillis (R-IN)
45. Michael DeWine (R-OH)
46. Harold Sawyer (R-MI)
47. Bill McCollum (R-FL)
48. Larry E. Craig (R-ID)

BODY LANGUAGE

CAN YOU READ BETWEEN THE LINES?

by Toni Lydecker

PHOTOGRAPHER: MARK BORCHELT SETTING: PLEASANT PLEASANT WASHINGTON, DC

The customer's crossed arms, crossed legs, withdrawn posture and lack of eye contact all suggest he is not open to the waitress' menu suggestion.

Glancing swiftly around the dining room of his restaurant, Larry hears only the low, harmonious hum of voices and an occasional clink of dishes. But suddenly a frown settles over his face. He sees that three potentially troublesome situations are brewing.

☞ At one table sits a middle-aged couple who arrived 15 minutes earlier. Lips compressed, the woman is tapping her foot; the man is resting his chin in his hand and gazing intently at the menu.

☞ A young woman dining alone at another table is ignoring a plate of half-eaten food in favor of doodling on the back of an envelope.

☞ Across the room, the assistant manager is talking excitedly to a waiter. The waiter's head is at first tilted downwards, but then he raises it, takes a step away from the other man and folds his arms.

Larry sighs, for he can follow the play without a script. At the first table, he knows, the woman is ready to order, but her companion is undecided. He sends a waiter over to neutralize the tense atmosphere by recommending that the couple begin with the restaurant's featured appetizer.

The second case is a puzzler. The woman may not be eating because something is wrong with the food. The doodling could also indicate that she is bored and uncomfortable eating alone and would appreciate a little extra attention from the waitress. Or she may be preparing to write the Great American Novel and prefers not to be disturbed. Larry passes on these observations to the waitress, asking her to find out tactfully whether the customer is satisfied with the food and service.

The encounter between the staff members is more clear-cut. The waiter's body language shows that he was initially receptive to what the assistant manager was saying, but he is now becoming defensive. Larry makes a mental note to meet privately with the assistant manager the next morning to find out more.

Picking up the cues...

Though we may lack Larry's finely tuned sensitivity to nonverbal cues, all of us are expert to some degree in the art of reading between the lines. Otherwise, we could hardly understand each other, for social scientists estimate that only about 20 percent of all communication is verbal. The rest consists of thousands of different facial expressions, gestures, body positions and movements that accompany or replace words.

The waitress is making progress. The customer's more relaxed posture and chin-in-hand position signify he is evaluating the waitress' suggestion.

Nonverbal signals work together. It is impossible to pin down an exact meaning for any isolated nonverbal cue. We automatically look for clusters of signals that are consistent with one another, verbal statements and the situation. One basic pattern to check is whether the center of the body is open or closed. A person facing you directly and gesturing easily with palms upwards presents an open center and will probably respond favorably to what you say. One who crosses his arms, buttons his coat, slumps or turns the body partly away has a closed center and perhaps a correspondingly closed mind.

When the nonverbal signals run *counter* to the words, it is time to pay attention. A classic example is the customer who shakes her head slowly from side to side while telling the host or waiter how much she enjoyed the meal.

A knack for interpreting nonverbal cues is invaluable in the restaurant business. Managers can use it to advantage in floor observation of staff and customers. Once made aware of some of the nuances of nonverbal communication, the staff members themselves may be able to smooth out some crinkles in their relations with customers. A greater sensitivity to body language can also be an aid in training and supervising staff. The paragraphs ahead suggest how nonverbal communication can help restaurateurs improve their operations in these areas.

The customer connection...

A cook can storm around the kitchen all he likes, and as long as the soup isn't oversalted or the steak doesn't burn, the customer is indifferent. But the waiter or waitress in a sour mood—ah, that's a different matter. "Waiters slam the food down on the table when they're having a bad day. They probably don't even know they're doing it," says Phyllis Richman, restaurant critic of *The Washington Post*. She is also annoyed by restaurant staff who develop tunnel vision at the precise moment you need them, disrupt conversation by reaching across the table or clear the dishes before the customers have finished eating.

Because such behavior can color a customer's whole perception of the restaurant, employees must be alert to the image they are projecting nonverbally. Nancy Russo, an administrative officer for the American Psychological Association, explains how to be attentive to customers without overdoing it. "The excellent waiter is far enough

away so the customer doesn't feel he's hovering but still attentive enough to pick up cues that the customer needs help. He's there if needed and not there the rest of the time."

While serving, wait staff should avoid interrupting the conversation by keeping their movements quiet and unobtrusive (but not *too* much so—a customer who doesn't realize the waiter is at her elbow could gesture expansively and send a tray flying). Their tasks completed, wait staff should retreat several yards so they do not appear to be eavesdropping.

Eye contact is extremely important. Looking directly at the customer giving an order or making a request reassures the person that it will be carried out. Another good practice for wait staff is to scan their tables methodically and often for signs that the customers need help. Too much eye contact at the wrong moment can be a mistake, however. A waitress whose gaze rests absentmindedly for more than a few seconds on a party of guests may give the impression that she is staring.

Customers react more positively to a restaurant when the staff wear pleasant facial expressions. This point seems obvious, but you may be surprised to see how few of your employees actually have such an expression. During a rush period, some may even be scowling at customers. Also, every person has an expression they wear when "in neutral," ranging from a slight smile to a slight frown. Thus, it may help to remind a waiter whose habitual expression is downcast to smile more often.

Picking up customer cues. . .

Interpreting customer cues is an art, and even the best restaurant staff sometimes miss signals. A customer may try to attract a waiter's attention solely through eye contact, while the waiter waits for her to close the menu before approaching to take the order. Another customer might forget who is serving him and try to catch the eye of another waiter or even the busboy to take a drink order.

Here are some other cues restaurant staff should watch for:

☞ Tense posture or jerky movements. This person may want something but be too shy to ask or may be unhappy. (Of course, the source of the problem could be the dinner partner, not the restaurant!)

How well can you read BODY LANGUAGE?

The situation

1. The customer is telling the waitress, in response to her question, how much he enjoyed the chocolate mousse. Did he really like it? (Customer is leaning back slightly in his chair, away from the waitress, with his hand partially covering his mouth.)

2. The maitre d' is suggesting a wine. Will the customer accept the recommendation? (Customer's legs are crossed, and she is rubbing her nose.)

3. Which trainee is paying close attention to the presentation on serving techniques? (First person is sitting erectly, with expressionless eyes and feet flat on the floor. Second person is sitting towards the edge of his chair, with his body leaning forward slightly and his chin resting in his hand.)

4. Which waiter has the proper posture? (One waiter is standing erectly as he takes an order. The other is bending down slightly in the direction of the customer.)

5. The waitress is bidding the customer good-bye after watching her gather her belongings. Does the customer appreciate her solicitude? (Waitress is standing beside the customer's table.)

What it means

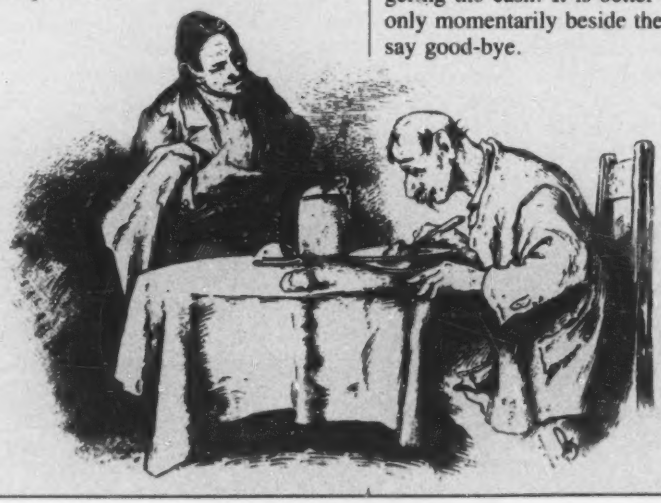
1. The customer probably did not like the dessert. Covering the mouth indicates that his polite response was untruthful. The fact that he is leaning away from the waitress backs up this interpretation.

2. Who knows? Most likely, she has not made up her mind. Experts say that we rarely make a decision when one foot is off the floor. Such gestures as rubbing the nose also signify hesitation to make a commitment. On the other hand, her nose may itch, or she may simply feel more comfortable with her legs crossed.

3. The second trainee is really listening. His chin-in-hand position signifies that he is evaluating the manager's statements; the movement to the edge of the chair shows that he is eager to hear more. The other trainee is using body language that simulates attentiveness, but he has actually tuned out.

4. Neither waiter is behaving improperly, but the second one conveys a more friendly, informal attitude by bending in the direction of the customer. Having someone stand over us makes us feel somewhat at a disadvantage, even in a situation such as this when it is normal for the other person to stand. The waiter who minimizes the height difference by bending demonstrates empathy for the customer. The other waiter's erect stance may be quite appropriate, however, if the restaurant is a formal one.

5. The customer may be able to think of no other reason for the waitress to linger by her table than to pounce on the tip without delay. Even worse is the waitress who rubs her hands together as if in anticipation of fingering the cash. It is better to pause only momentarily beside the table to say good-bye.



Common nonverbal cues

Action	Meaning
crossed arms	defensiveness
crossed legs	nonconcurrence, unreadiness
steepling (fingertips together), leaning back with hands behind head	confidence, superiority
hands on hips	readiness for action
leg over arm of chair	superiority, unwillingness to cooperate
head rotated upwards	superiority
head rotated downwards	submission
hands clasped behind back	guilt, suspicion
unbuttoning coat	openness, friendliness
rubbing nose, resting face in hand, pinching bridge of nose	evaluation, indecision
bringing hand slowly to throat, pinching fleshy part of hand, picking cuticles or nails	need for reassurance, nervousness
short breaths, rubbing back of neck, clenched hands	frustration
hand to ear lobe or hair	desire to interrupt speaker
locked ankles, clenched hands	strong feelings held back
clicking ballpoint pen, thumping heel on floor, jiggling foot	nervousness, impatience, boredom
smoothing hair or skirt, straightening tie	preening gestures associated with courtship
eyebrows up	surprise, fear or recognition
eyebrows down	concern, worry or fear
palms upwards	sincerity
palms downwards	vitality, aggression
oblong smile (lips drawn back from teeth)	insincerity, aggression
touching, fondling inanimate objects	need for understanding, reassurance

☞ Relaxed body position and movements. This person is enjoying the meal and should not be rushed.

☞ Orientation of the body towards the door and impatient gestures, such as tapping the foot. Time to present the check. This customer is ready to leave.

Perhaps the most telling nonverbal clues to customer satisfaction are the size of the tip and the amount of food left on the plate. If the first is typically small and the second is large, find out why.

Managing nonverbally...

Heightened awareness of body language can help managers both control their own signals better and evaluate the attitudes and reactions of employees. People who demonstrate leadership generally use body language that is purposeful, not aimless. Steepling (placing the fingertips together), hands on hips and a relaxed but erect stance are examples of body language that conveys a sense of self-confidence and authority.

An interesting study by Wendy McKenna and Florence Denmark, two social psychologists, showed that women generally use more of the gestures associated with submission to authority: smiling, nodding, holding the arms close to the body and keeping the legs together. When, as part of an experiment, the women adopted more relaxed, asymmetrical body positions and smiled less frequently, people assumed they had higher business status.

In communicating an air of authority, of course, managers should stop short of intimidating employees. Shaking a finger at an employee or clenching the fists is almost never justified. Even seemingly innocuous movements can reveal an overbearing manner. The manager who puts an arm around the shoulders of an employee (especially a female) or slouches in a chair when visiting the office of a subordinate is signaling, "I'm your boss, and I can behave however I like regardless of your feelings." Standing over an employee can also make him feel threatened. In training someone to perform a task, it is better to remain at a distance and give your critique afterwards rather than to hover anxiously.

Standing in front of the group during a training session or staff meeting lets employees know that you are in charge and wish to keep status distinctions clear. To create a more informal atmosphere, sit with employees around a table or move up and down the aisle while conducting the session. Regardless of the management style chosen, you should lean towards listeners while talking, use a variety of purposeful gestures and have a lively facial expression.

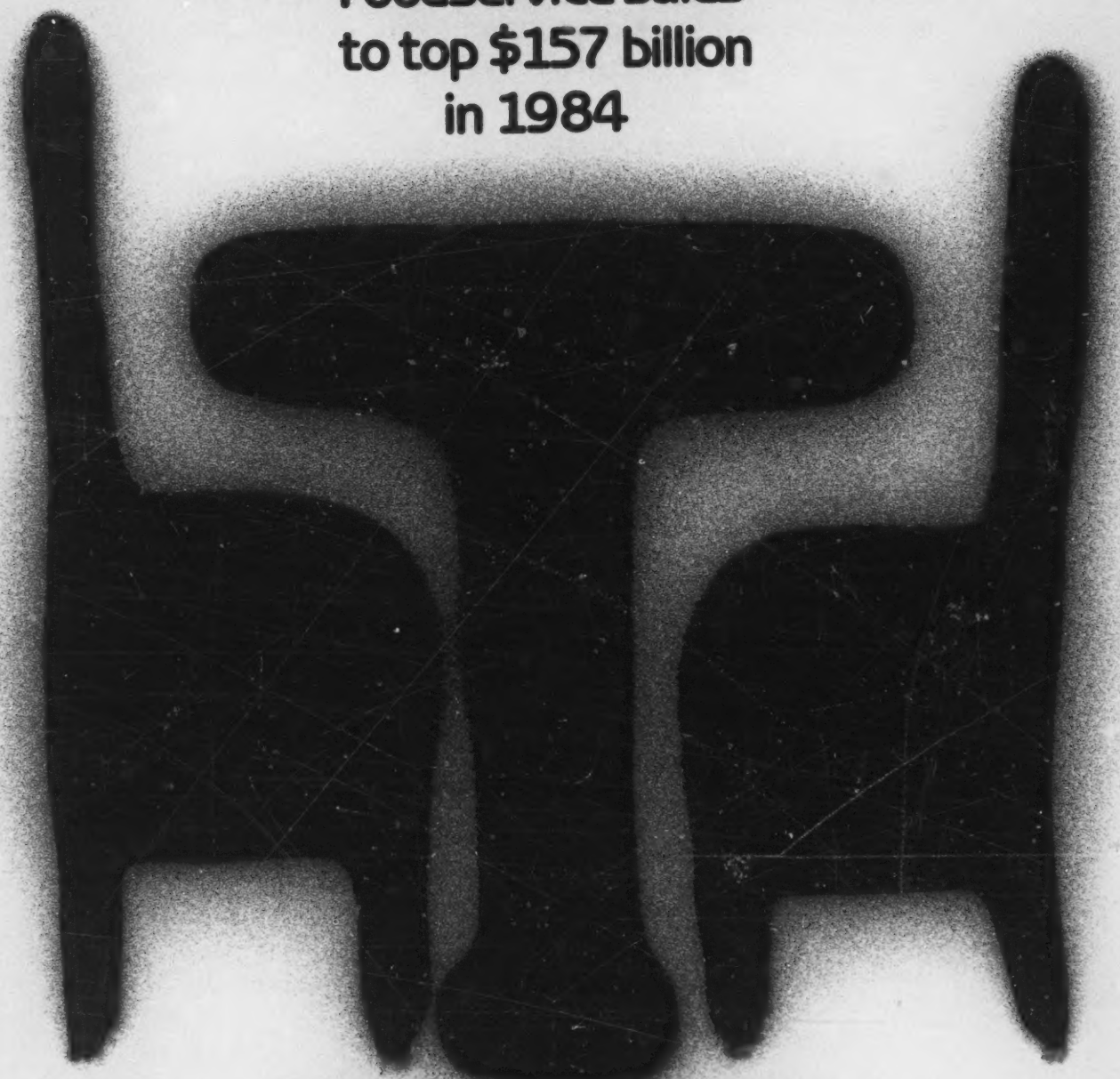
Reading employee reactions is vital, for it is one way to gauge the effectiveness of your presentation. The interested person will lean forward in the seat, perhaps taking notes or touching a finger or pen to the lips. When the talk is not going well, employees may slump in their chairs, lean away, cross their arms, frown or furrow their brows.

Being alert to "interrupt gestures" will help you allow ample opportunity for questions and discussion. These gestures are remnants of the schoolday habit of raising the hand for permission to ask a question or express an opinion. The hand may go up into the air a few inches and then fall back into the lap, or it may instead touch the hair or pull the ear lobe. The manager who notices such gestures can draw out questions or comments that an employee might otherwise be too shy or unassertive to offer.

If you are bold enough, initiate a discussion of nonverbal communication by offering employees a chance to analyze your body language. You may learn more than they do from the exercise. ❑

A Growing Year Ahead

Foodservice sales to top $157 billion in 1984



1984 NRA forecast

HIGHLIGHTS

1983–1984

NRA's 1984 industry forecast projects another good year, with real sales continuing to show substantial growth and menu prices rising modestly.

Foodservice industry sales are projected to reach $157.0 billion in 1984—an increase of 8.9 percent over 1983.

Real sales, adjusted for inflation, should advance 3.5 percent—slightly below the 3.7 percent increase recorded in 1983.

Performance will vary by industry segment. Real sales in the **Commercial Feeding Group** are forecast to rise 4.0 percent while the **Institutional Feeding Group** should record somewhat slower growth—1.0 percent.

Airline contract feeders and **airlines providing their own foodservice** are projected to post the largest real sales growth in the industry in 1984—7.2 percent and 6.6 percent, respectively.

Fast food restaurants will continue to post impressive sales gains in 1984 with real sales up 5.4 percent.

Eating places, which account for approximately 60 percent of total industry sales, are expected to record sales growth of 9.8 percent in 1984, reaching $96.7 billion.

Eating places will post impressive real sales growth of 4.5 percent in 1984, the result of a strong economy, rising employment and continued low rate of inflation.

Higher food prices, primarily late in the year, will cause **menu prices** to rise 5.3 percent in 1984, compared with lower menu price inflation of 4.3 percent in 1983.

The information contained in this report was prepared in consultation with the research firm Malcolm M. Knapp, Inc.

Industry sales will total $157 billion in 1984

"NRA projects foodservice industry sales will total $157 billion in 1984—a gain of 8.9 percent over 1983's $144.2 billion level," announced NRA Chairman of the Board and President Joe R. Lee. Sales, unadjusted for inflation, should increase by $12.8 billion in 1984, compared with the $10.9 billion advance recorded in 1983.

"Real sales, adjusted for inflation, continue to post significant gains," Lee reported. The industry will record real sales growth for four consecutive years, an improvement over the real sales declines of 1979 and 1980. In 1984, real sales for the foodservice industry will be up 3.5 percent, following advances of 3.7 percent in 1983, 1.1 percent in 1982 and 0.5 percent in 1981.

NRA's forecast for strong real sales gains is based on robust economic growth during 1984 along with moderate inflation, rising consumer incomes and a bright employment picture. However, large federal budget deficits and the threat of high interest rates could dampen economic growth and mitigate sales advances for the foodservice industry.

Food and drink sales in the Commercial Feeding Group, which accounts for 85 percent of total foodservice industry sales, should equal $133.9 billion in 1984—up 9.3 percent from the prior year. This compares favorably with the somewhat slower 8.7 percent increase recorded in 1983. Real sales in the commercial sector will continue to post significant gains—up 4.0 percent in 1984 versus 4.3 percent in 1983 and 1.3 percent in 1982.

Foodservice sales in the Institutional Feeding Group should record real sales growth of 1.0 percent in 1984, up slightly from the 0.6 percent advance in 1983 and a considerable improvement over the 0.4 percent decline in 1982.

Food and drink sales in the Military Feeding Group are expected to post strong real growth in 1984—up 3.7 percent.

Menu prices should rise somewhat faster in 1984 than in 1983 due to slightly higher food and overhead expenses. Prices for food away from home will be up 5.3 percent in 1984, compared with a gain of only 4.3 percent in 1983.

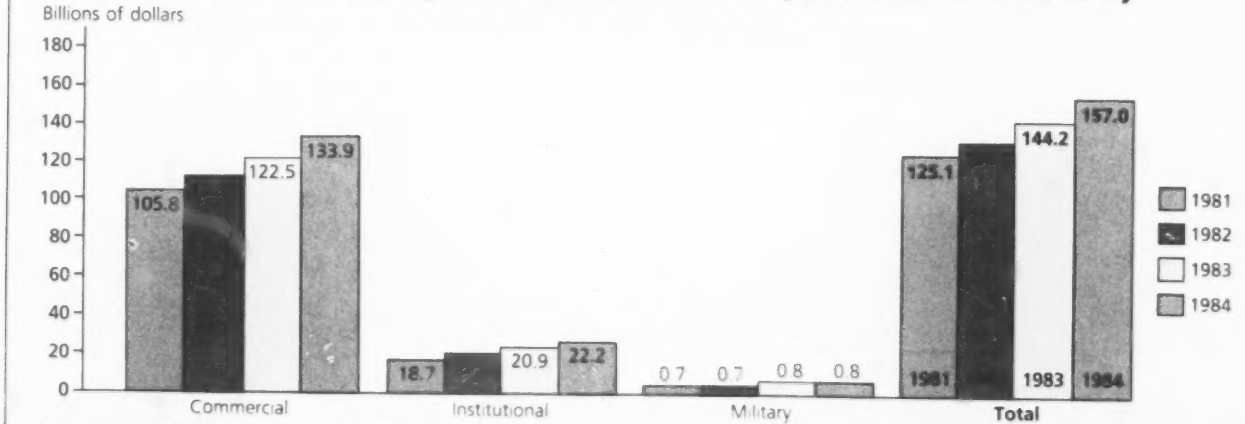
What's in this report. . .

The following sections of this report examine in some detail

- the economic climate for foodservice in 1983 and 1984
- consumer expectations in 1984
- the legislative and regulatory environment for restaurants in 1984
- operator response to the challenges facing them in 1984
- the outlook for such segments of the industry as eating places, lodging places, educational feeding, employee feeding, transportation feeding, health care feeding, recreational feeding, retail hosts and military feeding and
- a brief look into what the industry can expect beyond 1984.

The "background" section at the end of this report contains technical details which may interest some readers. It should be noted here, however, that this forecast does not pretend accuracy to the decimal point shown. These precise figures, rather than ranges, are given for the sake of convenience.

Foodservice industry sales, 1981-1984 (billions of dollars)



Note: 1983 and 1984 are projected figures

1983's economic recovery was good for the industry. . .

In 1983 the U.S. economy grew at a very rapid pace, following one of the worst recessions in this nation's history. Consumers' confidence in their short-term and long-term financial outlook reached new highs, and this resulted in increased consumer spending. Industrial production rose as the nation's manufacturers rushed to supply the needed autos, houses and appliances that Americans had wanted to buy but had foregone due to their poor financial situations. In addition, inflation continued to moderate, rising by about 3.4 percent in 1983 compared with significantly larger advances of 6.8 percent in 1982 and 9.6 percent in 1981.

Unemployment began to decline as corporations started recalling laid-off workers and hiring new ones. Interest rates declined slightly, and consumers were more amenable to making large credit purchases for houses, autos and even vacations.

The restaurant industry was a prime beneficiary of the improving economy. Traffic at the nation's eating places rose during the first three quarters of 1983, and indications are that it will continue to increase during the final months. Breakfast easily captured the number one spot in terms of increased traffic counts. Dinner traffic continued strong, and traffic for the mid-day meal showed marked improvement over 1982 levels.

Fast food and family restaurants continued to do well, as consumers—still careful about their eating out expenditures—frequented these establishments. Atmosphere/specialty restaurants posted their best performance in the second half of 1983 when consumers began to feel much better about their financial situations and opted to trade up to expensive eating places.

All this resulted in the industry's best real sales performance since 1977 and has set the stage for continued growth in 1984.

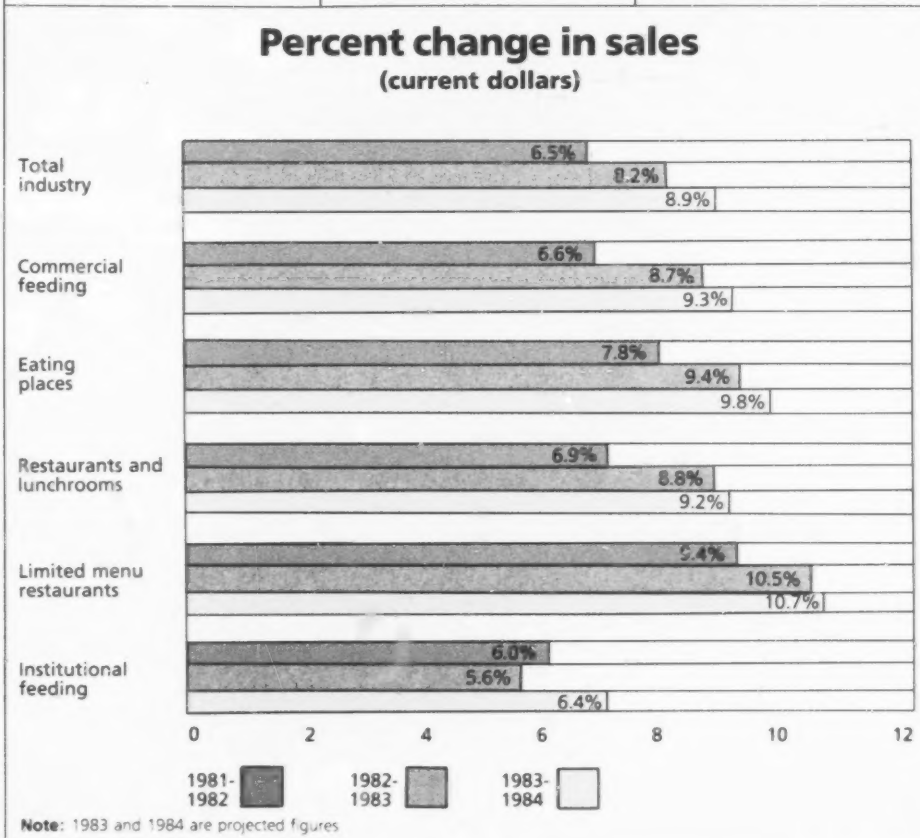
The economic climate in 1984: healthy and growing. . .

The consensus forecast for 1984 indicates that the U.S. economy will grow at a robust rate, and the strong recovery begun in 1983 will continue. Real Gross National Product (GNP) will advance a healthy 5.3 percent in 1984, equalling 1977's gain of 5.3 percent. Inflation will rise at a slightly faster pace in 1984 than in 1983—5.0 percent versus 3.4 percent. Higher food prices, particularly near the end of the year, along with higher housing and energy costs will put some upward pressure on consumer prices. However, the overall advance in inflation will be considerably below the 6.8 percent and 9.6 percent gains in 1982 and 1981 and well below the double digit increases experienced in 1979 and 1980.

Consumers are earning more, and personal income is expected to increase 9.5 percent in 1984.

In spite of higher Social Security, state and local taxes, economic forecasters expect real disposable income (adjusted for inflation) to be up 4.6 percent in 1984—considerably higher than the 3.4 percent advance in 1983.

The number of people who are unemployed will continue to decline in 1984. Industrial production began rising in 1983 and is expected to continue at a healthy pace in 1984. This means manufacturers have and will be calling back laid-off workers and even hiring new employees. However, the nation's unemployment rate will remain at a historically high figure because the so-called smokestack industries (autos, steel, tires) will not have jobs for many



Note: 1983 and 1984 are projected figures

laid-off workers. The nation's unemployment rate will average 8.5 percent in 1984, down 1.2 percentage points from 1983's 9.7 percent rate.

The nation's factories will be busy producing much needed goods in 1984. Industrial production will be up 9.3 percent, compared with an increase of 6.3 percent in the prior year. Housing starts will equal about 1.8 million units, approximating 1983's figure of 1.7 million. Pent-up demand for automobiles will result in increasing numbers of new car sales—10.4 million in 1984 on top of 9.2 million in 1983. In addition, this pick-up in housing starts and car sales will fuel increased activity in other industries, such as furniture, appliances, tires and auto parts.

The negative factors facing the U.S. economy in 1984 are high interest rates and large federal budget deficits, both of which could dampen economic growth. However, the economy in 1983 has been able to grow at a very robust pace in spite of these factors, and the consensus is that this will also be true in 1984. The large number of unemployed persons could also be considered a negative factor in 1984, but most economists do not believe that this will seriously dampen consumer spending and economic growth. Prior years' experience has led many to the conclusion that it is the fear of being unemployed which is more detrimental to growth. With the unemployment rate dropping, people are less and less afraid that they will find themselves without a job.

All in all, the economic climate in 1984 should be healthy, and this is good news to the foodservice industry.

Consumer optimistic in 1984

Consumers are optimistic about their futures. Rising incomes, relatively low inflation and declining unemployment brighten the outlook for most households. As mentioned in the preceding section, real disposable income is forecast to rise 4.6 percent in 1984, compared with a slower 3.4 percent gain in 1983.

Consumers are now poised to spend. Pent-up

demand for many goods and services will result in strong retail sales in 1984. In particular, consumers will be purchasing appliances and furniture for new homes or to redecorate old ones. New cars will be purchased as the public rushes to replace old automobiles.

The picture also looks bright for spending on non-durable items such as restaurant meals. A recent survey conducted by the Gallup Organization for the NRA revealed that four out of 10 people want to eat out more often than they are now doing, and most of these would like to dine in restaurants one or two more times a week. Thus, with rising incomes and improved consumer sentiment, many of these consumers will be able to fulfill their wishes.

Restaurant patrons will continue to expect and demand quality from the establishments they visit in 1984. They want good food, friendly service and pleasant and clean surroundings. And, of course, they want value for their dollar. These people are also looking for convenience. The meal out is more often a necessity with today's not-so-traditional households. As a result, patrons want restaurants close to home, work and shopping, and they want fast and efficient service.

In 1984 consumers will continue to be interested in health and nutrition. Research conducted by the National Restaurant Association disclosed that many patrons, four out of 10, have changed their away-from-home eating habits by either increasing their consumption of fruits, vegetables and whole grains or by decreasing their consumption of refined sugar, animal fats or salt. In particular, these people report they are using less salt; ordering more fish, vegetables, salads and poultry and ordering less red meat, fried foods and starches.

All in all, restaurateurs can expect increased traffic and increased sales in 1984. Restaurant patrons will likely dine out more frequently than in prior years, and they will spend more. These customers will be more demanding, and they will expect to find good, healthy food along with friendly service, pleasant surroundings and value for the dollar when they dine away from home.

The legislative and regulatory environment in 1984: complex. . .

The foodservice industry in 1984 will be operating in a complex environment. Our industry must comply with laws and regulations at the federal, state and local levels. These laws and regulations mandate how much restaurateurs must pay their employees, which

What consumers expect when they dine away from home

1. A clean restaurant
2. Clean rest rooms
3. Good tasting food
4. Food served at the appropriate temperature
5. Food with a pleasing appearance
6. Fresh raw ingredients used in preparation
7. Food cooked as requested
8. A comfortable temperature in the dining area
9. Being greeted with a smile
10. Comfortable chairs
11. Food garnished as requested
12. Order filled promptly
13. Questions to determine if anything else is wanted or needed
14. A variety of menu choices
15. No delays in being seated or served
16. Questions to determine if the meal was satisfactory
17. A quiet eating atmosphere
18. Attractive room decorations
19. Information about when the order will be ready
20. Name tags for service staff

Source: Based on results of a telephone survey of 1,000 adults conducted for the National Restaurant Association in August 1982.

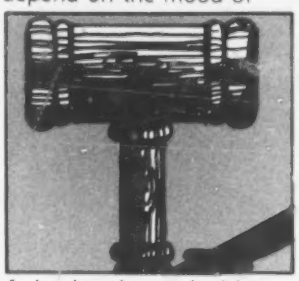
The foodservice industry—food and drink sales projected to 1984

	1981 Estimated F&D sales (000)	1983 Projected F&D sales (000)	1984 Projected F&D sales (000)	1983-1984 Percent change	1983-1984 Percent real growth change	1981-1984 Compound annual growth rate
GROUP I—Commercial feeding[1]						
Eating places						
Restaurants, lunchrooms	$ 39,324,429	$ 45,719,969	$ 49,932,552	9.2%	3.9%	8.3%
Limited menu restaurants, refreshment places	30,809,321	37,244,464	41,229,622	10.7	5.4	10.2
Commercial cafeterias	2,315,442	2,588,816	2,806,276	8.4	3.1	6.6
Social caterers	806,206	837,068	881,433	5.3	0.0	3.0
Ice cream, frozen custard stands	1,419,716	1,671,153	1,841,611	10.2	4.9	9.1
Total eating places	$ 74,675,114	$ 88,061,470	$ 96,691,494	9.8%	4.5%	9.0%
Bars & taverns	8,321,422	9,218,055	9,844,883	6.8	1.5	5.8
Total eating & drinking places	$ 82,996,536[2]	$ 97,279,525	$ 106,536,377	9.5%	4.2%	8.7%
Food contractors						
Manufacturing & industrial plants	$ 2,299,688	$ 2,390,315	$ 2,571,979	7.6%	2.3%	3.8%
Commercial & office buildings	669,127	755,734	816,948	8.1	2.8	6.9
Hospitals & nursing homes	902,408	1,022,555	1,091,066	6.7	1.8	6.5
Colleges & universities	1,271,069	1,547,788	1,677,802	8.4	0.4	9.7
Primary & secondary schools	657,108	733,365	761,233	3.8	−1.5	5.0
In-transit feeding (airlines)	532,190	652,962	734,582	12.5	7.2	11.3
Recreation & sports centers	1,011,926	1,155,821	1,266,780	9.6	4.3	7.8
Total food contractors	$ 7,343,516	$ 8,258,540	$ 8,920,390	8.0%	2.2%	6.7%
Lodging places						
Hotel restaurants	$ 4,817,757	$ 5,435,136	$ 5,946,039	9.4%	4.1%	7.3%
Motor hotel restaurants	854,525	949,412	1,034,859	9.0	3.7	6.6
Motel restaurtants	1,461,034	1,572,119	1,715,739	9.1	3.8	5.5
Total lodging places	$ 7,133,316	$ 7,956,667	$ 8,696,637	9.3%	4.0%	6.8%
Retail host restaurants[3]	3,560,163	3,988,329	4,323,349	8.4	3.1	6.7
Recreation & sports[4]	1,490,506	1,684,985	1,829,894	8.6	3.3	7.1
Mobile caterers	495,890	529,474	572,891	8.2	2.9	4.9
Vending & non-store retailers[5]	2,734,406	2,811,013	3,038,705	8.1	2.8	3.6
TOTAL GROUP I	**$105,754,333**	**$122,508,533**	**$133,918,243**	**9.3%**	**4.0%**	**8.2%**
GROUP II—Institutional feeding—business, educational, government or institutional organizations which operate their own foodservice						
Employee feeding[6]	$ 1,761,674	$ 1,809,594	$ 1,936,266	7.0%	1.7%	3.2%
Public & parochial elementary and secondary schools	2,364,450	2,574,827	2,628,898	2.1	−3.2	3.6
Colleges & universities	2,535,561	3,045,716	3,286,328	7.9	−0.1	9.0
Transportation	647,162	788,317	882,127	11.9	6.6	10.9
Hospitals[7]	7,182,733	8,039,741	8,546,245	6.3	1.4	6.0
Nursing homes, homes for aged, blind, orphans, mentally & physically handicapped[8]	2,549,132	2,834,508	3,018,751	6.5	1.6	5.8
Clubs, sporting & recreational camps	1,279,450	1,492,349	1,620,691	8.6	3.3	8.2
Community centers	356,501	320,478	332,656	3.8	−1.5	−2.3
TOTAL GROUP II	**$ 18,676,663**	**$ 20,905,530**	**$ 22,251,962**	**6.4%**	**1.0%**	**6.0%**
TOTAL GROUP I & II	**$124,430,996**	**$143,414,063**	**$156,170,205**	**8.9%**	**3.5%**	**7.9%**
GROUP III—Military feeding[9]						
Officers & NCO clubs ("Open Mess")	$ 436,047	$ 514,982	$ 563,905	9.5%	4.2%	9.0%
Foodservice—military exchanges	228,296	259,303	280,306	8.1	2.8	7.1
TOTAL GROUP III	**$ 664,343**	**$ 774,285**	**$ 844,211**	**9.0%**	**3.7%**	**8.3%**
GRAND TOTAL	**$125,095,339**	**$144,188,348**	**$157,014,416**	**8.9%**	**3.5%**	**7.9%**

Footnotes:

1. *Data are given only for establishments with payroll.*
2. *Food and drink sales for nonpayroll establishments totaled, $2,569,542,000 in 1981.*
3. *Includes drug and proprietary store restaurants, general merchandise store restaurants, variety store restaurants, food store restaurants, grocery store restaurants, gasoline service station restaurants and miscellaneous retailers.*
4. *Includes drive-in movies, bowling lanes, recreation and sport centers.*
5. *Includes sales of hot foods, sandwiches, pastries, coffee and other hot beverages.*
6. *Includes industrial and commercial organizations, seagoing ships and inland waterway vessels.*
7. *Includes voluntary and proprietary hospitals, long-term general, TB, nervous and mental hospitals and sales or commercial equivalent to employees in state and local short-term hospitals and federal hospitals.*
8. *Sales (commercial equivalent) calculated for nursing homes and homes for aged only. All others in this category make no charge for food served either in cash or in kind.*
9. *Continental U.S. only.*

employees can serve alcoholic beverages, what hours the operation should be open and how to comply with sanitation and safety standards. In 1984, the scope of many of these laws and regulations will depend on the mood of



federal and state legislators and the activities of many consumer groups.

The primary issues facing the foodservice industry in the near future include

- labor issues, such as minimum wage and tip credit
- liquor issues, such as third-party liability and minimum drinking age
- tax issues, such as tip reporting requirements and the deductibility of the business meal
- smoking/non-smoking issues
- truth-in-menu issues
- use of additives and preservatives as well as
- sanitation.

Some of these issues can have a direct effect on restaurant sales, such as the tax-deductible business meal. Others can affect the cost of doing business, such as minimum wage rates and the tip credit allowance. Still others are likely to have an effect on employee relations, such as tip income reporting requirements.

Restaurateurs in 1984: meeting the challenges. . .

Restaurant operators are prepared to meet the challenges and opportunities facing them in 1984. Consumer needs and desires, along with operator plans to find profitable market niches, will be the major forces behind the changes in the industry in 1984. Restaurateurs will be offering new menu items, redecorating their restaurants, developing new restaurant concepts, placing increased emphasis on quality and designing new promotion and advertising campaigns.

The public's interest in health and nutrition will lead to increased offerings of light and natural foods, more whole grain breads and less salt and fats used in food preparation.

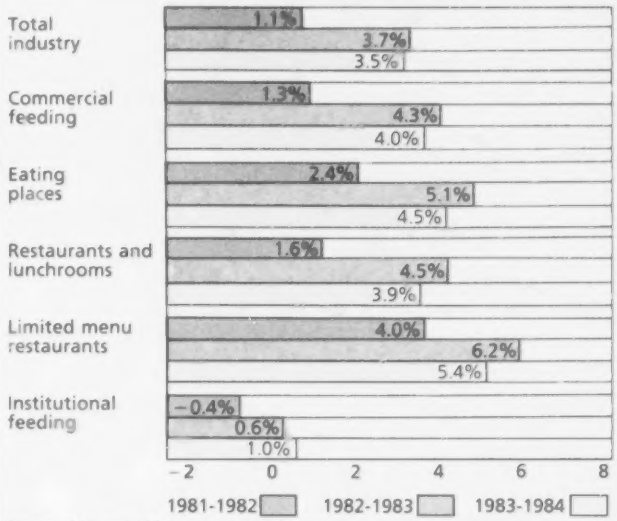
Ethnic food items will continue to be popular. A recent NRA consumer survey revealed that Italian, Chinese, Mexican, French and Japanese are five of the most popular ethnic foods in restaurants. These foods will probably retain their popularity as many consumers reported they will continue to order ethnic dishes in restaurants and would try more such dishes if they were available.

Operators will be adding new items to their menus to take advantage of these consumer preferences. At the same time, they will closely examine their offerings and eliminate items that are poor sellers and that do not complement their concept.

Restaurateurs will be redecorating their establishments in response to changing demographic patterns. Fewer children and an aging population will result in a more adult atmosphere. Chairs will be comfortable, decor will be more natural looking with plenty of light and live plants, and the restaurant will be quieter. All this will make the place more inviting to customers who want the meal to be relaxing and enjoyable.

Percent change in sales

(constant dollars)



Note: 1983 and 1984 are projected figures

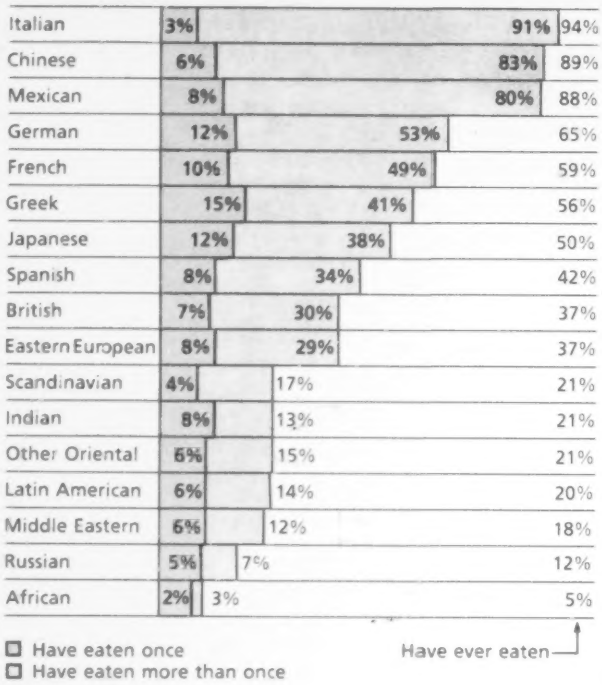
Fast food concepts will be repositioned. . .

Restaurant operators will be taking traditional fast food concepts and repositioning them as upscale restaurants. Hamburgers are being sold in a non-fast food atmosphere with patrons having the option of ordering alcoholic beverages with the meal. Upscale chicken places will feature baked chicken and chicken served with herbs and spices. Italian-oriented restaurants will focus on veal, chicken and exotic pasta dishes in addition to pizza, spaghetti and lasagne. In addition, some restaurant chains will be developing new concepts that are different from their original concept to take advantage of current trends. For example, fast food chains are opening up full service Mexican restaurants.

Consumers continue to be quality and value conscious. In response to this trend, operators will strive to provide quality food and service at a fair price. Restaurateurs will use fresh ingredients when preparing foods, and they will focus on training their staffs to be hospitable.

The focus of restaurant advertising and promotions will be changing in 1984. Marketing and brand differentiation will play larger roles than in past years. Some chains will use advertising to show how their establishments are different from their major competitors. Others will use advertising to show what they do best. Restaurants will continue to use promotions to attract new and repeat business, but the type of promotion is changing. Fewer coupons will be ad-

Popularity of ethnic food in restaurants


Italian 3% 91% 94%
Chinese 6% 83% 89%
Mexican 8% 80% 88%
German 12% 53% 65%
French 10% 49% 59%
Greek 15% 41% 56%
Japanese 12% 38% 50%
Spanish 8% 34% 42%
British 7% 30% 37%
Eastern European 8% 29% 37%
Scandinavian 4% 17% 21%
Indian 8% 13% 21%
Other Oriental 6% 15% 21%
Latin American 6% 14% 20%
Middle Eastern 6% 12% 18%
Russian 5% 7% 12%
African 2% 3% 5%
Have eaten once
Have eaten more than once
Have ever eaten

Source: Based on results of a telephone survey of 800 adults conducted for the National Restaurant Association in August-September 1983

vertised, and more offers which stress value will be visible—all-inclusive meals, early bird specials, two-for-one deals. In addition, premium offers will continue to be popular, especially within the fast food segment. Other promotions will be designed to attract customers to dine at establishments for a specific meal period or on a specific day of the week when the objective is to build traffic and sales.

Entertainment will continue to be a part of the eating out experience, especially at places that cater to children and teenagers and feature animated characters and video games. Video pizza places, the pioneers of this concept, will be looking for new animated characters, new video games and new computer technologies. However, they plan to turn more of their attention to operational issues, such as improving the quality of the food and service.

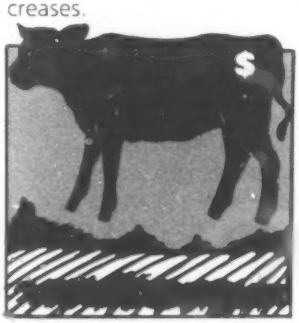
Restaurateurs will continue to search for ways to increase sales and profits in 1984. Many full service restaurants will opt for offering take out service. Gourmet take out meals will grow increasingly popular as they directly serve the convenience needs of patrons. Also, operators can initiate take out service with little or no additional labor and investment expenses. The dual retail concept where restaurants operate in conjunction with bookstores, bakeries, fish markets, butcher shops, wine shops and delis will also continue to be popular in 1984. Restaurateurs can use this vehicle to market some of their specialty items, such as breads, salad dressings and desserts.

As in prior years, restaurant owners and managers will continue to focus on controlling costs and increasing worker productivity. The ever-increasing competition means pricing will become more important. Operators who can minimize their menu price increases and maintain quality food and quality service will be more successful in maintaining and increasing traffic counts and sales.

All in all, the restaurateur in 1984 will be focusing on meeting patron expectations by providing good food, friendly service and value for the dollar.

Menu prices to rise 5.3 percent. . .

Menu prices are projected to rise 5.3 percent in 1984, versus 1983's lower 4.3 percent gain. This estimate is based on the probability that increases in the cost of food away from home will be lower at the beginning of 1984 but will rise toward the end of the year. Food prices, especially red meat prices, are expected to advance during the second half of the year due to the aftereffects of 1983's summer drought. Also, labor and overhead costs will probably rise as the economy improves and consumer demand increases.



Wholesale food prices are expected to advance 4.5 percent next year, compared with an unusually low rise of 0.8 percent in 1983. Lower supplies of beef and pork in the second half of 1984 will result in higher prices for these commodities, adding to the overall increase in wholesale food costs.

Labor costs are expected to rise moderately in 1984—4.7 percent. An abundant labor supply and moderate inflation should help keep payroll costs down. Other operating costs, including energy, are projected to advance at the same rate as overall inflation—5.0 percent.

These basic cost increases, along with operator concern for improving profit margins, will lead to increased menu prices. If less effort is made to boost margins, menu price increases may be even more moderate in 1984.

The bottom line is that larger advances in menu prices in 1984 will result in slightly lower real sales growth for the industry than in 1983.

Eating places in 1984—sales up 9.8 percent, real growth 4.5 percent. . .

Due to an improving economy, NRA projects sales at eating places, which account for 61.6 percent of foodservice industry sales, will experience significant gains in 1984. The 1984 forecast is heavily influenced by the growing confidence of consumers in the economy and their individual financial situations. Expected gains in consumer spending for all goods and services, increases in disposable income and a continuing slow decline in the rate of unemployment are

Eating place sales projected to 1984

	Estimated food and drink sales (000)			1983-1984 Percent change	1983-1984 Percent real growth change	1981-1984 Compound annual growth rate
	1981	1983	1984			
Restaurants, lunchrooms	$39,324,429	$45,719,969	$49,932,552	9.2%	3.9%	8.3%
Limited menu restaurants	30,809,321	37,244,464	41,229,622	10.7	5.4	10.2
Commercial cafeterias	2,315,442	2,588,816	2,806,276	8.4	3.1	6.6
Social caterers	806,206	837,068	881,433	5.3	0.0	3.0
Ice cream, frozen custard stands	1,419,716	1,671,153	1,841,611	10.2	4.9	9.1
Total eating places	$74,675,114	$88,061,470	$96,691,494	9.8%	4.5%	9.0%

several major factors contributing to the optimistic outlook for 1984. However, the public will probably continue to react strongly to short-term economic news, and, as a result, monthly sales may fluctuate widely—just as they have in recent years.

As the economy strengthens, consumers should begin to travel more often and generally allocate more income toward leisure time activities, particularly dining away from home. Improved business travel and increased attendance at conventions will also aid eating place sales.

Based on these general economic trends, eating place sales are projected to total almost $96.7 billion in 1984, up 9.8 percent over 1983. This growth rate is still below the 12.1 percent annual growth rate recorded during the 1970s, but is above the 9.0 percent annualized rate of gain registered between 1981 and 1984.

Real sales, adjusting for menu price inflation, should rise 4.5 percent in 1984. NRA's forecast for this relatively substantial growth is based on moderate inflation, an improving economy and the continuing desire of consumers to eat away from home. The 1984 projection for inflation-adjusted sales is slightly below 1983's real growth of 5.1 percent. This is due primarily to 1983's lower menu price increase, which was the result of unusually low food costs. Even so, 1983's real growth is significantly above 1982's reported 2.4 percent gain and 1981's 1.3 percent increase.

One of the premises of the NRA 1984 forecast is that the gain in real eating place sales will approximate the expected growth in real disposable income—4.6 percent. This is an improvement over 1983 when real eating place sales growth lagged behind gains in real disposable income. The brighter outlook is due to "pent-up" demand for dining away from home as well as consumers trading up to higher priced restaurants as their financial situations improve.

Fast food continues to post strong growth. . .

Among eating places, *limited menu restaurants* should continue to maintain their number one spot in terms of both real and nominal percentage gains. Limited menu restaurants should experience sales of $41.2 billion, a 10.7 percent increase over 1983. This is slightly higher than the 10.5 percent increase posted during 1983. Real sales in this category are projected to rise 5.4 percent in 1984, versus a somewhat stronger 6.2 percent reported one year earlier. Sales for this very important sector of the industry will be affected by several factors.

- New unit construction will continue to be a means of increasing sales and market share for fast food companies.
- Limited menu restaurants will continue to advertise heavily in the electronic media, emphasizing individual concepts and brands.
- Fast food establishments will continue to provide convenience and speedy service—still a major concern for many consumers. Convenience stores, however, are competing strongly with fast food restaurants in this area.
- The upscaling of food and service for particular meal periods at fast food places is a growing trend. The gourmet burger (hamburgers topped with mushrooms, imported cheese, ham or bacon) is one example.
- The customer mix is changing. Less affluent individuals are and will be returning to fast food establishments because of their improved financial situations. However, more affluent customers are trading up to family and upscale restaurants, which they frequented less often during the recession.

Restaurant sales to grow 9.2 percent. . .

Restaurants, the largest eating place category, should have a good year in 1984 and post sales of almost $50 billion—a 9.2 percent advance. This compares with a smaller 8.8 percent gain in 1983. In real terms, restaurant and lunchroom sales should grow 3.9 percent in 1984, versus a slightly stronger 4.5 percent one year earlier.

The improving economy should substantially boost sales at restaurants and lunchrooms as increasingly

Lodging place sales projected to 1984

	Estimated food and drink sales (000)			1983-1984 Percent change	1983-1984 Percent real growth change	1981-1984 Compound annual growth rate
	1981	1983	1984			
Hotel restaurants	$4,817,757	$5,435,136	$5,946,039	9.4%	4.1%	7.3%
Motor hotel restaurants	854,525	949,412	1,034,859	9.0	3.7	6.6
Motel restaurants	1,461,034	1,572,119	1,715,739	9.1	3.8	5.5
Total lodging places	$7,133,316	$7,956,667	$8,696,637	9.3%	4.0%	6.8%

Employee feeding sales projected to 1984

	Estimated food and drink sales (000)			1983-1984 Percent change	1983-1984 Percent real growth change	1981-1984 Compound annual growth rate
	1981	1983	1984			
Food contractors						
Manufacturing & industrial plants	$2,299,688	$2,390,315	$2,571,979	7.6%	2.3%	3.8%
Commercial & office buildings	669,127	755,734	816,948	8.1	2.8	6.9
Institutional						
Employee feeding*	1,761,674	1,809,594	1,936,266	7.0	1.7	3.2
Total employee feeding	$4,730,489	$4,955,643	$5,325,193	7.4%	2.2%	4.0%

*Includes sales for industrial and commercial organizations, sea-going ships and inland waterway vessels.

optimistic consumers begin to trade up and dine out more often. Customers seem to be concerned with three basic components when eating away from home: excellent service, food quality and a good price/value relationship. Restaurants that emphasize these factors should experience increased sales and continued growth.

Another factor that may boost restaurant sales is the increasing number of management and culinary school graduates who will contribute innovative and technical ideas. New concepts will give consumers the variety and quality food they are seeking.

The overall increase in the restaurant segment would be even better if the outlook for international tourism were brighter for 1984. The relative strength of the dollar may continue to make traveling in the U.S. more expensive for most foreign visitors. The number of Canadian travelers is expected to grow, however, which should add to restaurant sales.

Commercial cafeterias to experience significant growth. . .

Commercial cafeterias are expected to experience significant growth in 1984 with nominal sales rising 8.4 percent to $2.8 billion. Real sales are expected to jump 3.1 percent. An increase in the number of units and more aggressive marketing strategies have contributed to the optimistic outlook.

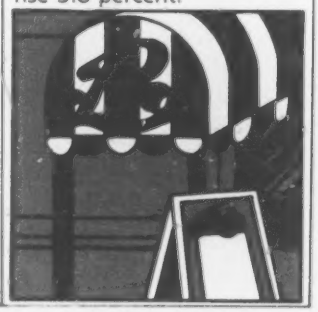
Social caterers are expected to reverse their long period of declining real sales and break even in 1984. Nominal sales should increase 5.3 percent to $881 million. Although the picture is brightening for this category, hotels and restaurants as well as individuals operating catering services out of their homes continue to provide a great deal of competition.

Ice cream and frozen custard stands should post the second best performance in the eating place group. Real sales are projected to rise 4.9 percent, while nominal sales should advance 10.2 percent to $1.8 billion in 1984. Public interest in gourmet ice cream continues to be a strong factor in this segment and has helped boost overall sales.

Lodging place sales to rise 9.3 percent. . .

Food and drink sales at *lodging places* are predicted to rise 9.3 percent in 1984, totaling almost $8.7 billion. Real sales, adjusted for inflation, are projected to advance 4.0 percent. Although occupancy rates have not advanced substantially, gains in the number of units and plans for new construction should help boost overall sales in this segment. Improved commercial air travel, increased convention attendance, more aggressive marketing of weekend packages and cross promotional ties with airlines will also contribute to sales gains in 1984.

Hotel restaurants, the largest component of the lodging place segment, are expected to experience the most rapid growth in this category—9.4 percent in nominal sales and 4.1 percent in real sales. *Motel restaurants* should also post a significant increase—9.1 percent—due to growth in vacation and pleasure travel. Real sales for this segment are expected to rise 3.8 percent.



Educational feeding sales projected to 1984

	Estimated food and drink sales (000)			1983-1984 Percent change	1983-1984 Percent real growth change	1981-1984 Compound annual growth rate
	1981	1983	1984			
Colleges & universities						
Contractors	$1,271,069	$1,547,788	$1,677,802	8.4%	0.4%	9.7%
Institutional	2,535,561	3,045,716	3,286,328	7.9	−0.1	9.0
Subtotal	$3,806,630	$4,593,504	$4,964,130	8.1%	0.1%	9.3%
Primary & secondary schools						
Contractors	657,108	733,365	761,233	3.8	−1.5	5.0
Institutional	2,364,450	2,574,827	2,628,898	2.1	−3.2	3.6
Subtotal	$3,021,558	$3,308,192	$3,390,131	2.5%	−2.8%	3.9%
Total educational feeding	$6,828,188	$7,901,696	$8,354,261	5.7%	−1.1%	7.0%

Transportation feeding sales projected to 1984

	Estimated food and drink sales (000)			1983-1984 Percent change	1983-1984 Percent real growth change	1981-1984 Compound annual growth rate
	1981	1983	1984			
In-transit feeding— commercial airlines	$ 532,190	$ 652,962	$ 734,582	12.5%	7.2%	11.3%
Transportation*	647,162	788,317	882,127	11.9	6.6	10.9
Total transportation feeding	$1,179,352	$1,441,279	$1,616,709	12.2%	6.9%	11.1%

*Includes sales on airlines, passenger/cargo liners and railroads.

Sales for employee feeding projected to total $5.3 billion. . .

Food and drink sales in the employee feeding category are projected to total $5.3 billion in 1984—a gain of 7.4 percent over one year earlier. Real sales in this segment are expected to rise 2.2 percent. Food contractor sales at *commercial and office buildings* should record the strongest advance—8.1 percent—with real sales expected to increase 2.8 percent. Contributing to this increase is the expected 2.6 percent rise in non-manufacturing employment in 1984. Food contractor sales at *manufacturing and industrial plants* are predicted to rise 7.6 percent, with a 2.3 percent gain in real sales. This is due primarily to a projected 1.8 percent increase in manufacturing employment in 1984.

Institutional foodservice sales in the employee feeding category, which includes *industrial and commercial organizations, seagoing ships* and *inland waterway vessels*, are expected to advance 7.0 percent to $1.9 billion in 1984. Contractors continue having success penetrating this market, especially the office segment.

Educational feeding sales to advance 5.7 percent. . .

Foodservice sales in the educational feeding category are expected to advance 5.7 percent to $8.4 billion in 1984. Real sales are predicted to decline slightly, however—1.1 percent—due to almost no enrollment growth in the nation's schools. Enrollment in primary and secondary schools is forecast to drop 1.1 percent in 1984. Enrollment at colleges and universities is expected to stay flat during 1984 due to rising college costs and decreasing numbers of college-age people. In addition, government subsidies continue to be cut back, also contributing to the decline in this area.

Food contractor and institutional sales at *colleges and universities* are forecast to record the strongest gains in the educational feeding category in 1984—8.4 percent and 7.9 percent, respectively. Even so, this is somewhat below the 9.7 percent and 9.0 percent annual growth rates recorded during the three-year period, 1981 to 1984.

Food contractor sales at *primary and secondary schools* are expected to rise 3.8 percent in 1984, with real sales declining 1.5 percent. Sales at primary and secondary schools that operate their own foodservice operations are predicted to rise modestly—2.1 percent. Inflation-adjusted sales, however, are expected to drop 3.2 percent.

Transportation feeding sales expected to reach $1.6 billion. . .

Food and drink sales in the transportation feeding category are projected to reach $1.6 billion in 1984, up 12.2 percent from 1983. Real sales will also experience a large gain—6.9 percent.

In-transit feeding (airlines) by food contractors is expected to show the strongest growth in this category—12.5 percent—with inflation-adjusted sales rising 7.2 percent. Airline traffic is projected to grow 7.5 percent due to the strengthening economy and continued fare discounts and price wars. These factors, along with improved consumer spending, should help boost foodservice sales in this segment.

Recreational feeding sales projected to 1984

	Estimated food and drink sales (000)			1983-1984 Percent change	1983-1984 Percent real growth change	1981-1984 Compound annual growth rate
	1981	1983	1984			
Recreation & sports centers						
Contractors	$1,011,926	$1,155,821	$1,266,780	9.6%	4.3%	7.8%
Non-contractors[1]	1,490,506	1,684,985	1,829,894	8.6	3.3	7.1
Subtotal	$2,502,432	$2,840,806	$3,096,674	9.0%	3.7%	7.4%
Clubs[2], sporting & recreational camps	1,279,450	1,492,349	1,620,691	8.6	3.3	8.2
Total recreational feeding	$3,781,882	$4,333,155	$4,717,365	8.9%	3.6%	7.6%

[1]Includes sales at drive-in movies, bowling lanes and recreation and sports centers
[2]A proportion of food and beverage sales in clubs is business-related

Health care feeding sales projected to 1984

	Estimated food and drink sales (000)			1983-1984 Percent change	1983-1984 Percent real growth change	1981-1984 Compound annual growth rate
	1981	1983	1984			
Contractors in hospitals & nursing homes	$ 902,408	$ 1,022,555	$ 1,091,066	6.7%	1.8%	6.5%
Hospitals	7,182,733	8,039,741	8,546,245	6.3	1.4	6.0
Nursing homes	2,549,132	2,834,508	3,018,751	6.5	1.6	5.8
Total health care feeding	$10,634,273	$11,896,804	$12,656,062	6.4%	1.5%	6.0%

Institutional foodservice sales in the transportation feeding category, which includes *airlines, passenger/cargo liners and railroads*, are forecast to advance 11.9 percent in 1984 with real sales growth of 6.6 percent. Most of this gain can be attributed to strengthening air traffic, but cruise ships should show strong increases as well. Railroads may pull the net growth down slightly as they are not expected to grow quite as rapidly as airlines or cruise ships.

Recreational feeding sales predicted to advance 8.9 percent. . .

Foodservice sales in the recreational feeding category are forecast to advance 8.9 percent in 1984, with real sales rising 3.6 percent. Total sales for this industry segment will reach

$4.7 billion. This relatively strong performance is due to improving consumer confidence in the economy and increased spending on travel and recreation. Also, the Olympics in Los Angeles during 1984 should heighten general interest in all sports and help boost sales in this area.

Food and drink sales by food contractors at *recreation and sports centers* are expected to post the most rapid growth in this category—9.6 percent—with real sales up 4.3 percent. Attendance at national parks is expected to grow in 1984, contributing to some of this gain. Total sales should reach $1.3 billion in this category.

Non-contractor foodservice sales at *recreation and sports centers,* which include drive-in movies, bowling lanes and recreation and sports centers, should rise 8.6 percent in 1984. Real sales are expected to increase 3.3 percent.

Clubs and sporting and recreational camps that operate their own foodservice are also expected to post an 8.6 percent gain in nominal sales and a 3.3 percent advance in real sales. A large part of this growth is due to an increased use of clubs. However, there could be a slowdown in this sector if Congress changes the tax laws regarding the deductability of club expenses.

Health care feeding sales predicted to total $12.6 billion . . .

Food and drink sales in the health care feeding category are predicted to reach $12.6 billion in 1984, a 6.4 percent increase over 1983. Real sales are expected to rise 1.5 percent. Food contractor sales in *hospitals and nursing homes* are expected to post the largest gain in this category—6.7 percent, with a 1.8 percent advance in real sales. The number of food contractors operating foodservice facilities in nursing homes continues to grow, which should contribute to this relatively strong increase.

Hospitals that operate their own foodservice are the largest component of the health care feeding category and should post $8.5 billion in sales—up 6.3 percent. Inflation-adjusted

sales for this segment are expected to show an increase of 1.4 percent. A slowdown in employee growth along with other cost-cutting measures may restrain some of the gains in this category. *Nursing homes*, operating their own foodservice, are expected to record a 6.5 percent gain in nominal sales and a 1.6 percent increase in real sales.

Retail hosts sales expected to rise 8.4 percent. . .

Sales for *retail hosts*, which include foodservice operations in drugstores, department stores and convenience and grocery stores, are expected to advance 8.4 percent in 1984 to reach $4.3 billion. Real sales are predicted to rise 3.1 percent. Traffic is improving at retail stores due to improved consumer confidence, income gains and "pent-up" demand. Convenience stores are also experiencing strong growth due primarily to continuing consumer interest in convenience and saving time. Consequently, this sector is providing increased competition for fast food operations.

Vending and non-store retailers sales should reach $3.0 billion. . .

Food and drink sales by *vending and non-store retailers* are forecast to reach $3.0 billion in 1984, an 8.1 percent gain. Real sales are expected to increase 2.8 percent. Increased employment at factories, along with greater distribution of vending machines in non-factory environments, should contribute to stronger sales in this category.

Foodservice sales by *mobile caterers* are projected to rise 8.2 percent in 1984, with real sales expected to advance 2.9 percent. Food and drink sales in this segment should continue to strengthen as the industrial plant and construction markets improve.

Food and drink sales at community centers to rise 3.8 percent. . .

Food and drink sales at *community centers* are expected to rise 3.8 percent. However, real sales are projected to decline 1.5 percent. This below-average performance can be attributed to reductions in government social programs.

Military sales to post 9.0 percent gain. . .

Foodservice sales for the Military Feeding Group should total $844 million in 1984, up 9.0 percent from 1983. Real sales are expected to advance 3.7 percent. Food and drink sales at *military exchanges* should rise 8.1 percent, with real sales projected to increase 2.8 percent. *Officers and NCO clubs* are doing well and should experience a 9.5 percent nominal gain along with a 4.2 percent advance in real sales. An increase in the military population accounts for the relatively strong performance projected for this category.

The industry is ready to face the future. . .

1984 will mark the fourth straight year of real sales gains for the foodservice industry, and this trend should continue. Economic forecasts report that the U.S. economy will be healthy throughout most of the remainder of the decade. In fact, many forecasters predict the nation will experience a slight economic slowdown in 1986 but then pick up steam and grow at a healthy pace through 1989. Continued low inflation rates, declining unemployment rates and expanded industrial output will fuel the economy.

The foodservice industry is prepared to meet the demands of the future. Restaurant operators have expanded their menus so they rely less on one commodity, and they offer their patrons meals in several different price ranges. In addition, restaurateurs are increasingly emphasizing value and the total dining experience.

Demographic and lifestyle trends are also supportive of industry growth. Those that will be most beneficial to the industry are highlighted in the accompanying box. Research has revealed that individuals with the outlined characteristics tend to eat out frequently and spend more on eating away from home than do other groups. This suggests the industry will continue to have an ample customer base in 1984 and through the remainder of the decade. In addition, a survey conducted by the Gallup Organization for the National Restaurant Association each year in September continues to reveal that the public's appetite for meals away from home is far from satisfied. In fact, if all consumers were able to eat out as often as they would like, customer traffic at our nation's restaurants would jump by 30 percent. This bodes well for the industry and those operators who develop ways to capitalize on these trends.

A word of caution is necessary with all forecasts. Sales projections are based on the best data available in October 1983. If the outlook for general economic conditions or the food situation changes significantly in the coming year, NRA's projections will require adjustment. In addition, the performance of individual companies or sales in local market areas may differ substantially from the U.S. outlook.

Demographic and lifestyle trends which will affect the industry

Demographic trends

- Increasing number of working women, especially working wives and mothers
- Increasing number of single individuals
- Continued aging of the population
- Smaller households; fewer children
- Increasing household incomes
- Rising level of education

Lifestyle trends

- Interest in health and nutrition
- Continued demand for more leisure time
- Continued demand for convenience
- Interest in quality and value
- Changing roles of family members

Regional and state-by-state forecast

For the fourth consecutive year, the National Restaurant Association has forecast eating place sales for each of the 50 states and the District of Columbia. This information is beneficial to restaurant operators when comparing their sales performance with the average for their state or region and when planning for the year ahead.

Eating place sales performance differs from state-to-state and region-to-region depending, to a great extent, on the economic situation in the area. Varying rates of income, population and employment growth all affect restaurant sales. The accompanying tables illustrate the wide geographical diversity.

The economic and sales data for the states have been arranged according to the nine census regions. Included for each state are revised eating place sales for 1983, projected 1984 sales figures and information on personal income and employment data. Much of the economic data in this report is based on information obtained from such sources as the Bureau of Economic Analysis, National Planning Association and The Conference Board.

The estimates for eating place sales used here were prepared in consultation with the research firm Malcolm M. Knapp, Inc. State-by-state historical eating place sales trends between 1972 and 1977 form the basis for these projections. These sales figures have been modified to reflect current and projected income and population data.

A few reminders. . .

Here are a few things to keep in mind when using the regional eating place sales figures in this report.

- Adjustments were made to arrive at a predetermined U.S. total.
- Sales projections for 1984 are based on the best data available in September 1983. If the outlook for general economic conditions or the food situation changes significantly in 1984, these projections will require adjustment.
- Sales figures for each state are subject to greater error than the national projections.
- The actual sales figures are a better indication than percent changes of the size of the restaurant industry in respective states. Actual sales figures represent an overall allocation of total sales in the U.S., while percent changes are subject to more variation. Percent changes have been shown here as a convenience to our readers.
- The sales information for states and regions are for all establishments. They represent the U.S. Census definition of eating places (SIC Code 5812) and include figures for operations with payroll and without payroll as well as contract feeding. As a result, the sales figures for states and regions will not equal the total for eating places shown on page 14.
- Regional projections were not done separately, and, as a result, regional totals are sums of state data.

Comparison of regional economic indicators

Percent change in eating place sales 1983-1984

Total U.S.	9.6%
New England	9.0%
Middle Atlantic	8.4%
South Atlantic	9.7%
East North Central	8.5%
West North Central	9.2%
East South Central	9.6%
West South Central	11.4%
Mountain	11.0%
Pacific	10.7%

Percent change in personal income 1983-1984

Total U.S.	9.5%
New England	9.3%
Middle Atlantic	8.7%
South Atlantic	9.6%
East North Central	9.0%
West North Central	9.2%
East South Central	9.7%
West South Central	10.2%
Mountain	10.4%
Pacific	9.9%

Percent change in total employment 1983-1984

Total U.S.	2.5%
New England	2.4%
Middle Atlantic	1.6%
South Atlantic	2.6%
East North Central	2.1%
West North Central	2.3%
East South Central	2.5%
West South Central	3.1%
Mountain	3.5%
Pacific	3.1%

Percent change in manufacturing employment 1983-1984

Total U.S.	1.8%
New England	1.7%
Middle Atlantic	0.6%
South Atlantic	1.9%
East North Central	1.3%
West North Central	2.2%
East South Central	1.9%
West South Central	2.8%
Mountain	3.5%
Pacific	2.7%

OUTLOOK FOR New England region

Major industries
- Defense
- Service
- High technology
- Textiles

Outlook
- Increased defense spending will boost defense-related industries
- Expanding high-tech industries continue to contribute to area's growth
- Textile exports may remain weak due to the relatively strong dollar
- Employment, personal income and population growth will slightly lag behind the U.S. average
- *Eating place sales are expected to reach $6.7 billion--an advance of 9.0 percent, somewhat below the national average*

Outlook for New England states

Connecticut
- The state accounts for 23 percent of eating place sales in region
- Increases in personal income, population and employment will advance slightly slower than the regional rates
- *Eating place sales are projected to rise 8.2 percent—somewhat slower than the regional average*

Maine
- Tourism industry should rebound due to improving economy
- Population, personal income and employment growth are expected to be slightly stronger than regional average
- *Eating place sales should rise 9.6 percent—somewhat faster than the regional average*

Massachusetts
- Growing consumer electronics industries will benefit state
- Personal income is expected to rise 9.2 percent, and employment should advance 2.2 percent
- *Eating place sales growth should approximate regional average and reach $3.4 billion*

New Hampshire
- Computer industry gains will boost state's economy
- Personal income, population and employment gains will be strongest in region
- *Eating place sales are expected to outpace both regional and national averages, jumping 10.2 percent*

Rhode Island
- Dependence on slow growth industries, such as textiles and silverware, may slow gains slightly
- Personal income is expected to rise 9.7 percent, and employment will increase 2.4 percent
- *Eating place sales are projected to show stronger increase than regional average—advancing 9.4 percent*

Vermont
- The state accounts for smallest percentage of regional eating place sales
- Personal income and population gains should be slightly above regional average
- *Eating place sales are expected to rise 9.2 percent—slightly better than the regional average*

Eating place sales ($000)

	1983	1984	Percent change
Connecticut	$ 1,453,740	$ 1,572,947	8.2%
Maine	492,837	540,149	9.6
Massachusetts	3,158,377	3,442,631	9.0
New Hampshire	479,616	528,537	10.2
Rhode Island	379,244	414,893	9.4
Vermont	215,970	235,839	9.2
Total region	**$ 6,179,784**	**$ 6,734,996**	**9.0%**

OUTLOOK FOR Middle Atlantic region

Major industries
- Steel
- Service
- Finance

Outlook
- Area projected to experience slowest growth in population, personal income and employment in the nation
- Slow recovery in steel industry may hamper regional growth. This may be offset somewhat by financial and service employment.
- *Eating place sales expected to post the slowest rise in the country—8.4 percent, for a total of $15.3 billion*

Outlook for Middle Atlantic states

New Jersey
- Petro-chemical and truck farming industries may experience slow growth
- Population, employment and personal income will be slightly stronger or approximate regional average
- *Eating place sales are expected to rise somewhat faster than the regional rate—8.6 percent*

New York
- Financial and high-tech industries will expand
- Population expected to actually decrease slightly, and personal income and employment growth will lag behind the regional average
- *Eating place sales are projected to approximate regional growth—8.4 percent*

Pennsylvania
- Rate of recovery in auto and steel industries will affect growth
- Personal income, employment and population gains will be somewhat stronger than the regional average
- *Eating place sales are expected to experience slightly better than average regional growth—8.5 percent*

Eating place sales ($000)

	1983	1984	Percent change
New Jersey	$ 2,869,232	$ 3,115,986	8.6%
New York	7,194,071	7,796,797	8.4
Pennsylvania	4,015,774	4,357,115	8.5
Total region	**$14,079,077**	**$15,269,898**	**8.4%**

OUTLOOK FOR
South Atlantic region

Major industries

- Furniture
- Steel
- Motor vehicle supplies
- Tourism
- Textiles and apparel

Outlook

- Industrial diversity will boost regional growth
- Upturn in consumer spending will benefit furniture, tourism, auto and textile industries
- Personal income, population and employment growth are expected to experience above average gains
- *Eating place sales are projected to reach $17.6 billion—a 9.7 percent increase, which is slightly faster than the national average*

Outlook for South Atlantic states

Delaware

- The state accounts for smallest proportion of regional eating place sales
- Dependence on heavy industry, combined with below average gains in personal income, employment and population, indicate slow growth for the state
- *Eating place sales will experience less than average regional increase—6.6 percent*

District of Columbia

- Low population and employment gains are expected in 1984
- Personal income, however, is projected to rise the fastest in the nation
- *Eating place sales are expected to outpace regional and national averages, advancing 10.4 percent*

Florida

- Tourism, high-technology and housing gains will benefit overall economy of state
- Population, personal income and employment growth should experience better than average increases for the region
- *Eating place sales are expected to post strongest regional growth—10.6 percent*

Georgia

- Anticipated growth in lumber-related and tourism industries will boost state's economy
- Personal income is expected to rise 9.6 percent, and employment should increase 2.6 percent
- *Eating place sales are projected to experience average growth for the region—9.6 percent*

Maryland

- Population is expected to increase faster than regional average
- Personal income and employment gains, however, will lag behind the regional average
- *Eating place sales will post below regional average growth—8.6 percent*

North Carolina

- Upturn in housing market will benefit the state's economy
- Population and employment growth will be slightly above regional average
- *Eating place sales are expected to rise 9.8 percent, slightly above the regional average*

South Carolina

- Population and employment growth should rise faster than regional rate
- Personal income gains are expected to approximate regional average
- *Eating place sales are expected to advance 9.8 percent—somewhat faster than the regional average*

Virginia

- Improving household goods and furniture industries should benefit state's economy
- Personal income is expected to rise 9.0 percent, and employment should increase 2.6 percent
- *Eating place sales may post slower than average growth—9.2 percent*

West Virginia

- Weak coal mining industry will continue to affect economy
- Population, personal income and employment growth are expected to be lower than regional average
- *Eating place sales are projected to lag behind the regional gains—advancing 8.2 percent*

Eating place sales ($000)

	1983	1984	Percent change
Delaware	$ 229,888	$ 245,061	6.6%
District of Columbia	539,109	595,176	10.4
Florida	5,288,965	5,849,595	10.6
Georgia	2,219,358	2,432,416	9.6
Maryland	1,817,268	1,973,553	8.6
North Carolina	2,012,611	2,209,847	9.8
South Carolina	1,093,875	1,201,075	9.8
Virginia	2,237,323	2,443,157	9.2
West Virginia	560,256	606,197	8.2
Total region	**$15,998,653**	**$17,556,077**	**9.7%**

OUTLOOK FOR
East North Central region

Major industries
- Auto
- Steel
- Rubber
- Agriculture

Outlook
- Improved auto industry will benefit rubber and steel sectors and boost area's economy
- Agricultural industry may continue to experience slow growth
- Below average employment, population and personal income gains are projected for region
- *Eating place sales expected to rise 8.5 percent to $18.5 billion—somewhat below the national average*

Outlook for East North Central states

Illinois
- Manufacturing employment is expected to rise only 0.9 percent, indicating slow recovery in this state
- Smaller than average gains in personal income and population may also hamper state's economic growth
- *Eating place sales will rise 8.4 percent, slightly below regional average*

Indiana
- Recovering auto industry will benefit state's economy
- Manufacturing employment, population and personal income growth are expected to approximate regional average
- *Eating place sales are projected to increase 8.9 percent*

Michigan
- Recovering auto industry will help economy
- Population and employment gains will be slightly above regional average, while personal income growth should approximate regional rate
- *Eating place sales should record average regional growth and reach $4.2 billion*

Ohio
- Improving auto production should benefit rubber industry
- Personal income will rise 8.8 percent, and employment should advance 2.0 percent
- *Eating place sales are expected to increase 8.3 percent, slightly below the regional average*

Wisconsin
- Employment and personal income growth are expected to be highest in region
- *Eating place sales are projected to outpace other states in region and rise 9.0 percent*

Eating place sales ($000)

	1983	1984	Percent change
Illinois	$ 5,060,941	$ 5,486,060	8.4%
Indiana	2,265,464	2,467,090	8.9
Michigan	3,831,756	4,157,455	8.5
Ohio	4,026,677	4,360,891	8.3
Wisconsin	1,842,874	2,008,733	9.0
Total region	**$17,027,712**	**$18,480,229**	**8.5%**

OUTLOOK FOR
West North Central region

Major industries
- Agriculture
- Farming equipment
- Fertilizers

Outlook
- Agricultural industries may continue to experience slow growth
- Personal income, total employment and population gains will record below average growth
- Manufacturing employment, however, is expected to advance 2.2 percent, slightly above the national average
- *Eating place sales should rise 9.2 percent and reach $8.2 billion*

Outlook for West North Central states

Iowa
- Slow gains in the agricultural may slow growth
- Population, personal income and employment growth should approximate regional average
- *Eating place sales are expected to rise 9.0 percent, slightly below the regional average*

Kansas
- Manufacturing employment is expected to jump 3.6 percent—signifi-

Eating place sales ($000)

	1983	1984	Percent change
Iowa	$1,159,310	$1,263,648	9.0%
Kansas	1,106,448	1,208,241	9.2
Minnesota	1,805,256	1,980,366	9.7
Missouri	2,268,116	2,469,978	8.9
Nebraska	686,540	749,015	9.1
North Dakota	253,225	277,281	9.5
South Dakota	284,990	310,639	9.0
Total region	**$7,563,885**	**$8,259,168**	**9.2%**

cantly above the 2.2 percent regional average
- Personal income and population increases should be slightly above regional average
- *Eating place sales are projected to advance 9.2 percent, recording average regional growth*

Minnesota
- Growing high-tech industries should benefit state's economy
- Population, income and employment will record slightly better than average gains
- *Eating place sales should rise 9.7 percent—the strongest increase expected in the region*

Missouri
- A slight increase—1.4 per cent—in manufacturing employment will hamper state's growth
- *Eating place sales should rise 8.9 percent—the smallest regional increase*

Nebraska
- Population, employment and personal income growth to lag behind regional averages
- *Eating place sales are projected to rise 9.1 percent, slightly below the regional average*

North Dakota
- Strong manufacturing employment gains will benefit state's economy
- Personal income and population growth are expected to approximate regional average
- *Eating place sales will outpace regional average and rise 9.5 percent*

South Dakota
- Small gains in total employment, personal income and population may hamper growth
- *Eating place sales are projected to record a 9.0 percent gain, slightly below the regional average*

OUTLOOK FOR East South Central region

Major industries
- Textiles
- Household appliances
- Apparel
- Auto parts

Outlook
- Growth in construction and automobile industries will help the region's economy
- The strong dollar may continue to impede the textile industry's ability to compete in the world marketplace
- Population and personal income growth should experience slightly better than average gains, while employment growth should mirror the national average
- *Eating place sales will post average gains—9.6 percent—and total $5.2 billion*

Outlook for East South Central states

Alabama
- Employment, population and personal income growth should approximate regional averages
- *Eating place sales are expected to be strongest in region—up 9.9 percent*

Kentucky
- Population, employment and personal income gains are expected to be slightly lower than regional average
- *Eating place sales are projected to reach $1.4 billion—a 9.2 percent increase, which is slightly below the regional average*

Mississippi
- Manufacturing employment growth is expected to rise 2.1 percent—the strongest increase in the region
- Personal income and population gains, however, may lag behind the regional average
- *Eating place sales are expected to advance 9.6 percent—mirroring the regional average*

Tennessee
- Population, personal income and employment growth are expected to slightly outpace regional averages
- *Eating place sales are projected to reach $1.7 billion, rising 9.8 percent, slightly above the average for the area*

Eating place sales ($000)

	1983	1984	Percent change
Alabama	$1,203,245	$1,322,366	9.9%
Kentucky	1,283,336	1,401,403	9.2
Mississippi	636,211	697,287	9.6
Tennessee	1,587,478	1,743,051	9.8
Total region	**$4,710,270**	**$5,164,107**	**9.6%**

OUTLOOK FOR West South Central region

Major industries
- Oil and gas
- Finance
- Chemicals
- Service

Outlook
- Depressed oil prices and decreased demand may continue to slow growth in energy-related industries
- Growth in construction and consumer electronic products will benefit area
- Finance and service industries should experience continued expansion
- Population, employment and personal income gains should be among strongest in U.S.
- *Eating place sales are expected to post the most substantial growth in the country—11.4 percent—to reach $11.1 billion*

Outlook for West South Central states

Arkansas
- Personal income, employment and population gains are expected to be slightly lower than regional average
- *Eating place sales are projected to post a 10.0 percent rise, somewhat below the regional average*

Louisiana
- World's Fair in 1984 is expected to boost state's economy
- Personal income is projected to rise 9.7 percent, and employment should increase 2.8 percent
- *Eating places should experience substantial growth—10.8 percent—but still lower than the regional average*

Oklahoma
- Slow gains in energy-related industries may hamper state's growth
- Population, employment and personal income gains may be somewhat slower than the expected regional averages
- *Eating place sales are projected to rise 10.3 percent, somewhat below the regional average*

Texas
- Growing high-technology and service industries should benefit the state
- The state accounts for almost 70 percent of the regional eating place sales
- Substantial gains in personal income, employment and population will help boost state's economy
- *Eating place sales are expected to be among the strongest in the nation, rising 11.8 percent to $7.7 billion*

Eating place sales ($000)

	1983	1984	Percent change
Arkansas	$ 653,862	$ 719,248	10.0%
Louisiana	1,321,160	1,463,845	10.8
Oklahoma	1,134,588	1,251,450	10.3
Texas	6,861,139	7,670,753	11.8
Total region	**$9,970,749**	**$11,105,296**	**11.4%**

OUTLOOK FOR Mountain region

Major industries
- Mining
- High-technology
- Lumber/construction

Outlook
- Growth in lumber and construction industries will benefit area
- High-technology jobs and firms continue to contribute to region's growth
- Population, employment and personal income gains are expected to be strongest in country
- *Eating place sales are projected to experience substantial growth—11.0 percent—for a total of $5.0 billion*

Outlook for Mountain states

Arizona
- Manufacturing employment, population and personal income growth are expected to be among strongest in nation
- Improving tourism industry and growing high-technology field should boost economy
- *Eating place sales are projected to rise 12.4 percent—the largest increase expected in the country*

Colorado
- Manufacturing employment and population

Eating place sales ($000)

	1983	1984	Percent change
Arizona	$1,032,123	$1,160,106	12.4%
Colorado	1,392,559	1,549,918	11.3
Idaho	307,355	336,861	9.6
Montana	271,720	296,718	9.2
Nevada	437,715	484,988	10.8
New Mexico	514,711	568,241	10.4
Utah	401,206	438,518	9.3
Wyoming	201,580	223,955	11.1
Total region	**$4,558,969**	**$5,059,305**	**11.0%**

gains should experience substantial growth
- Personal income and total employment growth will mirror regional average
- *Eating place sales are expected to total $1.5 billion, up 11.3 percent, slightly above the regional average*

Idaho
- Slow growth in mining industries may continue to hamper state's economy
- Population, employment and personal income growth are expected to be below regional averages
- *Eating place sales are projected to rise 9.6 percent—somewhat slower than the regional average*

Montana
- Slowly recovering mining industries will affect state's economy
- Employment, personal income and population gains are expected to rise slower than the region as a whole
- *Eating place sales are projected to show smallest increase in region—9.2 percent*

Nevada
- Improving tourism industry should benefit state's economy
- Personal income is expected to rise 10.5 percent, and employment should be up 3.6 percent
- *Eating place sales are projected to jump 10.8 percent, slightly below the regional average*

New Mexico
- Population, employment and personal income gains are expected to slightly lag behind the regional averages
- *Eating place sales should rise 10.4 percent--somewhat below the regional average*

Utah
- Personal income and employment gains are expected to mirror regional average
- *Eating place sales are expected to rise 9.3 percent, significantly below the average for the region*

Wyoming
- Personal income is expected to show slightly stronger increase than regional average
- Population and employment growth should mirror the average regional gains
- *Eating place sales are expected to post an 11.1 percent rise, slightly above the regional average*

OUTLOOK FOR
Pacific region

Major industries
- Construction
- Aerospace
- Lumber
- Tourism

Outlook
- Lumber and wood products industries have begun to pick up steam and should benefit state's economy
- Growing tourism and aerospace sectors should also improve regional outlook
- Population, personal income and employment growth are expected to outpace national averages
- *Eating place sales are projected to total $20.1 billion—a 10.7 percent advance*

Outlook for Pacific states

Alaska
- Population growth may lag behind the regional average, but personal income and employment gains should show slightly better than average increases
- *Eating place sales are expected to rise 11.1 percent—the strongest gain in the region*

California
- The Olympic games and an improving tourism industry should boost state's economy
- Population, personal income and employment gains should approximate regional averages
- *Eating place sales are projected to reach $14.5 billion—an 11.0 percent jump, which is slightly above the regional average*

Hawaii
- Slowly recovering tourism industry may hamper state's growth
- Personal income, population and employment growth are expected to record below average increases
- *Eating place sales are projected to show slowest increase in region, rising only 8.7 percent*

Oregon
- Improving demand for lumber and wood products should benefit state's economy
- Population and personal income growth should increase slightly faster than the regional averages
- *Eating place sales are expected to reach $1.6 billion, a 10.3 percent advance, which is slightly below the regional average*

Washington
- Growth in both the lumber and aerospace industries should brighten state's economic picture
- Manufacturing employment, personal income and population gains should post slightly better-than-average increases
- *Eating place sales are expected to rise 9.8 percent*

Eating place sales ($000)

	1983	1984	Percent change
Alaska	$ 368,459	$ 409,358	11.1%
California	13,086,479	14,525,992	11.0
Hawaii	726,732	789,958	8.7
Oregon	1,486,742	1,639,876	10.3
Washington	2,464,176	2,705,665	9.8
Total region	**$18,132,588**	**$20,070,849**	**10.7%**

Food and drink purchases projected to reach $65.2 billion in 1984

Food and drink purchase projections for the foodservice industry are forecast to reach $65.2 billion in 1984. Other highlights include:

- Purchases in the Commercial Feeding Group, which account for 69 percent of the total amount spent, are estimated to reach $45.2 billion next year.
- Eating places, the largest component of the Commercial Feeding Group, are predicted to record food and drink purchases of $34.6 billion in 1984.
- Food contractors follow eating places in the commercial segment in amount of dollars spent and are estimated to post purchases of almost $3.7 billion.
- Purchases for the Institutional Feeding Group, which account for 20 percent of total industry food and drink purchases, are forecast to equal $13.2 billion in 1984.
- Hospitals, the largest food and drink purchasers in the institutional segment, will record purchases of $3.8 billion in 1984 or 29 percent of the total for this group.
- Food and drink purchases that will be furnished to foodservice employees in both the Commercial and Institutional Feeding Groups are forecast to reach $4.4 billion next year.
- Purchases in the Military Feeding Group are expected to reach $2.3 billion, with defense personnel accounting for the largest share—almost $2.0 billion.

The foodservice industry—food and drink purchases projected to 1984

Estimated food and drink purchases (000)

Group I—Commercial feeding[1]

Eating places	
Restaurants, lunchrooms	$18,396,838
Limited menu restaurants	14,313,804
Commercial cafeterias	1,042,916
Social caterers	336,248
Ice cream, frozen custard stands	566,755
Total—eating places	$34,656,561
Bars & taverns	$ 590,595[2]
Total—eating & drinking places	$35,247,156
Food contractors	
Manufacturing & industrial plants	$ 1,178,007
Commercial & office buildings	374,265
Hospitals & nursing homes	435,122
Colleges & universities	557,000
Primary & secondary schools	347,241
In-transit feeding (airlines)[3]	351,108
Recreation & sports centers	452,257
Total—food contractors	$ 3,695,000
Lodging places	
Hotel restaurants	$ 1,957,480
Motor hotel restaurants	340,547
Motel restaurants	585,632
Total—lodging places	$ 2,883,659
Other commercial	
Retail host restaurants	$ 1,581,599
Recreation & sports	652,554
Vending & non-store retailers	993,501
Mobile caterers	193,008
TOTAL—Group I	**$45,246,477**

Group II: Institutional feeding—Business, educational, government or institutional organizations that operate their own foodservice

Employee feeding	$ 966,894
Public & parochial elementary & secondary schools	3,324,970
Colleges & universities	1,520,989
Transportation	441,891
Hospitals	3,843,415
Nursing homes; homes for aged, blind, orphans, mentally & physically handicapped	1,902,667
Clubs, sporting & recreational camps	779,032
Community centers	389,244
TOTAL—Group II	**$13,169,102**
TOTAL—Groups I & II	**$58,415,579**
Food furnished foodservice employees (FSE) in Groups I & II	$ 4,435,449
TOTAL—Groups I, II & FSE	**$62,851,028**

Group III: Military feeding

Defense personnel	$ 1,993,404
Officers & NCO clubs ("Open mess")	208,361
Foodservice—military exchange	120,830
TOTAL—Group III	**$ 2,322,595**
GRAND TOTAL	**$65,173,623**

[1]Data are given only for establishments with payroll
[2]Food purchases only.
[3]Food purchases only.

**Purchases refer to expenditures by foodservice establishments for their food and drink supplies.*

Industry sales reach $144.2 billion in 1983

The National Restaurant Association has updated its 1983 forecast to reflect the stronger than expected economic recovery. Lower menu price increases, resulting from a continued moderation in the inflation rate and modest advances in food prices, are the primary reasons for the revised projections. As a result, NRA expects real growth in the foodservice industry to experience more substantial gains. Rising personal income and consumer confidence as well as improved vacation travel have also contributed to the brighter outlook.

Sales for the foodservice industry are now expected to reach $144.2 billion, an increase of 8.2 percent in current dollars and 3.7 percent in real dollars. This is significantly above the original prediction for total sales—$143.6 billion—in the "1983 Forecast" in the December 1982 issue of ***NRA NEWS.***

Sales for the *Commercial Feeding Group* will reach $122.5 billion, an increase of 8.7 percent over 1982. Real sales for this group should rise 4.3 percent versus an initial prediction of a 2.2 percent gain. Sales for the *Institutional Feeding Group* are expected to total $20.9 billion, primarily due to continued increases in transportation feeding sales. Sales for *the Military Feeding Group* will advance 8.1 percent and reach $774 million.

Eating place sales will total $88.1 billion in 1983, a gain of 9.4 percent over 1982. This is up from the $87.4 billion originally forecast. Real sales, adjusted for inflation, are expected to jump 5.1 percent—substantially above the initial prediction of 2.6 percent.

Restaurants and lunchrooms will provide most of this improvement in eating place sales. Sales for this segment are expected to advance 8.8 percent and reach $45.7 billion. This is up from the original forecast of $45.2 billion. Real sales are projected to rise 4.5 percent, compared with the 1.4 percent initially forecast. Consumers, now that their individual economic situations are improving, are trading up. This is benefiting the dinner house segment.

Limited menu (fast food) sales should reach $37.2 billion, a 10.5 percent gain that corresponds to the original predicted growth. Real sales for this category, however, are now expected to rise 6.2 percent, compared with the original forecast of 4.5 percent.

The National Restaurant Association now expects menu prices to increase only 4.3 percent, well below the 6.0 percent originally forecast last December. Very small gains in wholesale food costs during 1983—0.8 percent—combined with modest gains in wages and salaries have helped restaurateurs keep menu price increases at a very moderate level.

Foodservice industry sales 1982-1983

	Food and drink sales (000)		Percent change	
	1982	1983	Current dollars	Constant dollars
Commercial Feeding Group	$112,734,342	$122,508,533	8.7%	4.3%
Eating places	$ 80,494,945	$ 88,061,470	9.4%	5.1%
Restaurants & lunchrooms	42,037,815	45,719,969	8.8	4.5
Limited menu restaurants	33,705,397	37,244,464	10.5	6.2
Commercial cafeterias	2,412,690	2,588,816	7.3	3.0
Social caterers	814,268	837,068	2.8	−1.5
Ice cream, frozen custard stands	1,524,775	1,671,153	9.6	5.3
Bars and taverns	$ 8,737,493	$ 9,218,055	5.5%	1.2%
Total eating & drinking places	$ 89,232,438	$ 97,279,525	9.0%	4.7%
Institutional Feeding Group	$ 19,793,754	$ 20,905,530	5.6%	0.6%
Military Feeding Group	$ 716,122	$ 774,285	8.1%	3.8%
Total foodservice industry sales	$133,244,218	$144,188,348	8.2%	3.7%

How the NRA forecast was prepared. . .

NRA's initial projections for 1984, revised projections for 1983 and final estimates for 1982 are published here. Comparable historical sales data from 1970 through 1980 appear in *Foodservice Sales Panorama* and in the June/July 1982 issue of ***NRA NEWS***.

NRA's annual foodservice industry forecast for 1984 includes both nominal and real percent changes in sales for all industry sectors. Real growth is calculated separately for each market segment. In the case of eating places, the projected percent increase in menu prices is subtracted from the percent increase in sales. For drinking places it is necessary to make a special estimate of the inflation factor which is weighted more heavily toward alcoholic beverages.

For other industry sectors, such as colleges and universities where expenses are largely determined by food costs, a modification of the Producer Price Index for food is used. Modifications to this index are based on historical patterns for each industry sector. The food cost component thus constitutes the base percent increase, which is adjusted to reflect population changes and other pertinent factors, such as labor and overhead costs.

To arrive at real 1984 sales figures for the total foodservice industry as well as for the Commercial and Institutional Groups, current 1983 sales were multiplied by the respective 1984 real growth factors. The real sales figures for each of these sectors were then added and compared with 1983 sales to obtain overall real growth for the industry and the two major segments.

Consumers want to eat out more often

The market for meals away from home is far from saturated, according to a recent consumer survey conducted by the Gallup Organization for the National Restaurant Association. If adult consumers were able to eat in restaurants as frequently as they would like, customer traffic would jump by about 30 percent. Although this figure is down slightly from the 33 percent reported in 1982 and 1981, it may mean that improved economic conditions in 1983 made it possible for more consumers to eat out as often as they wanted.

However, others still find that their financial position does not allow them to eat out as frequently as they would like. Some people are just starting to recover from their months of joblessness and loss of income, and others are purchasing big-ticket items, such as cars, houses, appliances and furniture.

Four out of 10 adults would like to eat out more often. . .

Nearly 40 percent of adults questioned in September 1983 by Gallup's *Monthly Monitor of Eating Away from Home* said they were not eating out as much as they would like. This is similar to the proportions reported in the prior two years when NRA had Gallup ask the same question.

Most revealing for the restaurateur is what this "pent-up" demand for meals away from home means in terms of customer traffic. By asking those who said they were not eating out often enough to specify how many more times per week they would like to eat away from home, NRA was able to calculate how large the market would be if consumers could eat in restaurants as often as they wished.

The majority of the people interviewed said they would like to eat out one (32 percent) or two (31 percent) times more a week. An additional 16 percent said they would do so three times a week. In fact, there was a substantial increase in the number who wanted to eat three more times, perhaps indicating that people feel the real desire to eat out frequently now that their financial situation is improving.

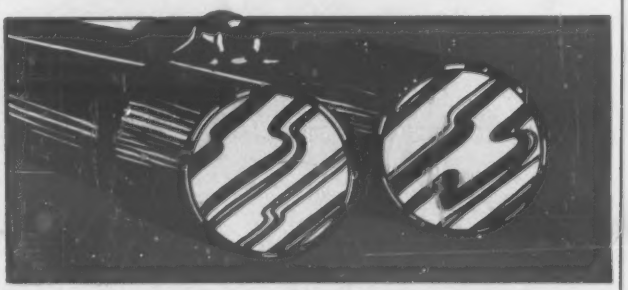
Using data on the current frequency of eating out along with data on desired frequency, we can arrive at a total customer traffic figure. Overall, patron counts at the nation's restaurants would rise about 30 percent. However, some demographic groups are less satisfied with their current level of eating out than others, and these include

- Women
- People between the ages of 35 to 49
- People with less than a high school education
- People with incomes under $15,000
- Households with three or more persons and
- People who eat out infrequently.

Moderate inflation, rising real incomes and declining unemployment will be especially beneficial to these groups. This, in turn, will put the restaurant industry in a good position to capture a greater share of the consumer's disposable dollar.

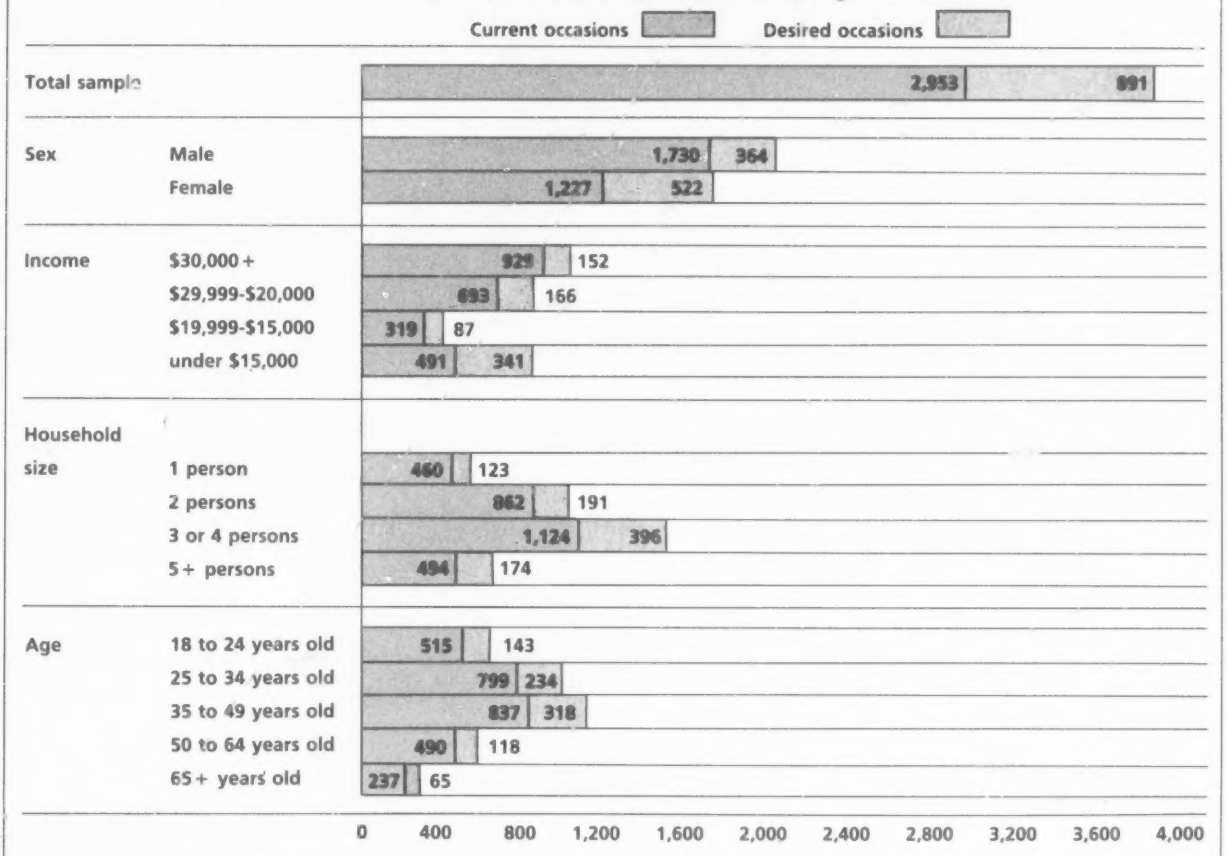
Eight out of 10 would like to eat more dinners out. . .

Those respondents who indicated they would like to eat out more frequently were asked what meal they would like to eat out more often if they could. More than eight out of 10 (85 percent) said they wanted to eat more dinners out versus only 10 percent who said lunch and 6 percent who said breakfast. This suggests that discretionary dining out, which primarily includes dinner, should pick up in 1984 because consumers will be in a better financial position.



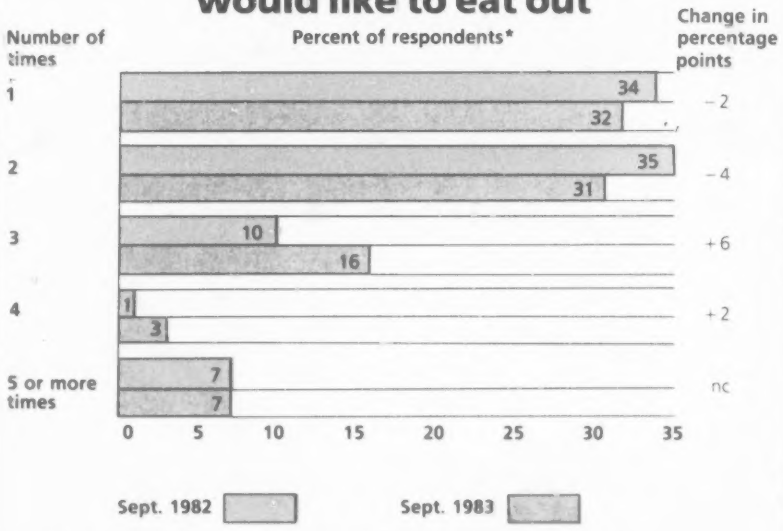
Customer traffic

Current weekly occasions vs. desired weekly occasions



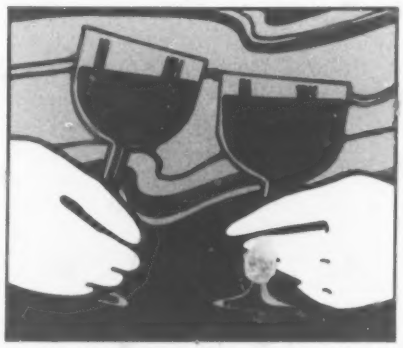
Note: Based on weighted representative sample of 1,181 adults 18 years old and over, September 1983
Source: National Restaurant Association

How frequently consumers would like to eat out



*Based only on those who said they were not eating out as often as they would like
Source: National Restaurant Association

Editor's Note: *Questions concerning this report or requests for additional copies should be directed to the National Restaurant Association, Research Department, 311 First Street, N.W., Washington, DC 20001.*



—Bette Hoyt and Cecelia Niepold

1983 IN REVIEW

New sweetener & old favorites with gourmet twist

One of the most exciting and long-awaited products to come on the market in 1983 was aspartame. After 10 years of research and seven years of testing, G.D.S. Searle and Co. released the low-calorie sweetener.

More commonly known by its trademark NutraSweet, aspartame is said to have 200 times the sweetening power of sugar with only one-twelfth the calories and no unpleasant aftertaste. Aspartame is also considered safe for most people, being a combination of two natural amino acids: aspartic acid and phenylalanine.

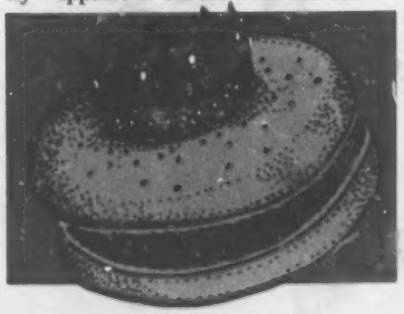
According to *Beverage Industry* magazine, aspartame-sweetened sodas could "explode" the diet drink market from 17 percent of all soft drinks in 1982 to 30 percent in 1984. In dollars that would be a jump from $3.6 billion to $6.6 billion.

Aspartame's $90-a-pound price tag has been the only real deterrent to wider use. It costs 30 times more than saccharin. Nonetheless, sales have already risen beyond expectations.

Hamburger—gourmet style...

Hamburgers are still holding their own as the number one entree. But they now have a fancier dressing. Gourmet hamburger chains have flourished this year.

At a time when a wide mix of customers have become more sophisticated about their foods, the gourmet hamburger—merchandised for its quality—appears to fill the void and allow patrons to trade up but still enjoy the familiar favorite. Many restaurants add to the appeal of the burger by inviting their customers to create their own version with exciting toppings like guacamole, caviar, chili and salsa, to name a few.



Ice cream—the love affair is growing richer...

Americans' love affair with ice cream has reached new heights. But it's not just plain ice cream that's kindling their passion. Premium (high butter fat) brands with fresh quality ingredients have far outpaced sales of regular ice cream, which leveled off

Lighter fare—new techniques, new foods...

The calories consumers are splurging on ice cream, they're saving in other areas. More and more diners want a meal that is cooked with lighter, simpler, more natural techniques. Deep-fat frying, breading and other high calorie cooking methods are out, as are the use of salt and rich sauces. Herbs are the new "in" flavoring method.

But it's not bland food consumers turn to. Spicy chicken is a new popular favorite, and the visually appealing Japanese cuisine with its low-fat sushi bars is gaining a loyal following from coast to coast. In addition, seafood sales continue their strong growth pattern.

Wine-by-the-glass adds class...

In recent years, American patrons have proven themselves to be a very fast study on the subject of wine. With their increasing knowledge and curiosity about wines comes a great reluctance to order unidentified house wines. In response, restaurateurs who pride themselves on the fine wines they carry, increasingly feature wine-by-the-glass by brand names, with the hope that patrons who like the glass will order the bottle.

Wine companies are helping to foster this wine-by-the-glass program by offering a line of quality point-of-sale materials to restaurateurs including table tents, write and wipe boards, lapel buttons and shelf talkers.

With 60 percent of all restaurant diners ordering wine with their meal, the wine-by-the-glass concept may soon become as ordinary as cake by the slice. (See the January 1984 issue of the ***NRA NEWS*** for an in-depth look on the effect of wine dispensing units.)

Food on the run...

It's a busy world we live in so convenience and quality have become major concerns for today's consumers. Take out sales account for approximately one-fifth of total industry sales and one out of every three eater occasions. That is why meals and catering operations are enjoying a boom. According to a recent Gallup Poll survey, 19 percent of respondents reported buying take-out food in 1983, compared to 12 percent in 1982.

Restaurateurs are responding to this increased demand for take-out foods by adding gourmet food shops to their restaurants. Many take-out restaurants are even featuring delivery services. Some of the items offered include Peking duck, T-bone steaks, veal with green peppercorns, tortellini with truffles, enchiladas and stuffed rabbit—to name a few.

Linked very closely to the increase in take out is the increase in catering. Restaurateurs view catering as a natural extension of their restaurant—a place where they can increase profits by maximizing the use of the restaurant's personnel and facilities.

—Carol Caprione and Elyse Cuttler

THE BOARD ROOM

NRA Director Roger Anderson named commissioner and mayor-elect of Great Falls, Montana

Election day thrust NRA Director Roger Anderson (Robbie's Restaurant, Great Falls, MT) into the political limelight. Anderson, who received a total of 6,337 votes (30 percent of the ballot), will serve as a commissioner of Great Falls starting January 2, 1984. As the top vote getter and leading candidate in 20 precincts, Anderson will serve as Great Falls mayor the last two years of his four-year term.

Commenting on his recent election as commissioner and designation as mayor-elect, Anderson said, "I know that I can contribute to the progress of Great Falls and will do all in my power to keep our city moving forward. I will work with all Great Falls citizens to achieve this end."

Director Felix gets Red Cross medal

NRA Director John Henry Felix is the first American to receive the International Red Cross' prestigious Henry Dunant Medal. President Reagan recently sent a letter to Felix, expressing his personal congratulations.

The Henry Dunant Medal, named in honor of the founder of the Red Cross movement, is awarded every two years to recognize and reward outstanding service of mainly international significance to the cause of the Red Cross.

Felix, who received the award on October 13 at ceremonies in Geneva, Switzerland, was honored both for his work with refugees from Vietnam, Cambodia and Laos and his assistance in the formation of Red Cross societies in nations in Asia and the Pacific.

Felix has long been associated with the Red Cross. In addition to being a chairman emeritus of the Hawaii State Chapter, he is a volunteer chairman of Western Operations Headquarters and the first permanent League of Red Cross Societies delegate for the Pacific. Felix is also a former member of the American Red Cross' board of governors and a past recipient of ARC's prestigious Harriman Award.

Culinary Foundation to host "Dinner of the Century"

The NRA/ACF U.S. Culinary Team Foundation will host the "Dinner of the Century," an evening without precedent in the industry's history, to benefit the 1984 U.S. Culinary Team.

This elegant extravaganza will be held on Saturday, May 19, 1984, the day before the opening of the 65th NRA Restaurant, Hotel-Motel Show. It will feature the best cuisine, finest wine and warmest hospitality that the foodservice industry has to offer. A 10-course meal, created for the occasion and prepared by the 1984 U.S. Culinary Team, will be served with 20 of America's finest wines. Each course will be accompanied by two wines, announced with a trumpet and proclaimed by a herald, who will also describe each dish.

In keeping with the elegance that will characterize the evening, each guest will be announced by a herald and greeted by NRA President Joe R. Lee. NRA board members, owners of some of the finest dining establishments in the country, will serve as maitre d's.

Walter Conti, chairman of the NRA/ACF U.S. Culinary Team Foundation and owner of Conti Cross Keys Inn, Doylestown, PA, has established a committee of leading restaurateurs to oversee this exciting event. The committee will consist of NRA Past President John Dankos, Dankos Enterprises, Richmond, VA; NRA Past President Thad Eure, Jr., Darryl's Division of General Mills Restaurant Group, Inc., Raleigh, NC; and NRA Director Ernest Royal, Royals Hearthside, Rutland, VT.

The "Dinner of the Century" is a black-tie affair limited to 200 guests. Tickets can be purchased for $500 a piece. All proceeds will be donated to the NRA/ACF U.S. Culinary Team Foundation. Ticket requests and inquiries should be directed to the NRA/ACF U.S. Culinary Team Foundation, c/o Richard Gaven, NRA Senior Director, National Restaurant Association, One Park Place, Suite 2000, Chicago, IL 60601; (312) 853-2525.

Culinary Foundation applauds fund-raising activities

During a recent press conference at NRA's Washington office, Walter Conti, chairman of the NRA/ACF U.S. Culinary Team Foundation and past president of NRA, announced that the foundation has achieved its quota for major sponsorship of the 1984 U.S. Culinary Team—five backers each pledging to contribute $50,000.

The fund-raising drive, which began at the 1983 NRA Show when L.J. Minor Corporation announced its sponsorship, has since gained the support of the Foodservice Group of Kraft, Inc., American Express Travel Related Services and, most recently, the Hobart Corporation and the Foodservice Products Division of Procter and Gamble.

In addition to these major sponsors, funds have been pouring in from all segments of the foodservice industry—corporations, suppliers, restaurateurs and even culinary students.

Commenting on the initial success of the fund-raising drive, foundation chairman Walter Conti said, "We are proud of the way that the foodservice industry—especially the major sponsors—have rallied behind the banner of the 1984 U.S. Culinary Team, but we are still only a little over half way to our final goal of $500,000. If the 1984 U.S. Culinary Team is to win the gold in Frankfurt, we must maintain the momentum of our fund-raising efforts. We need nothing less than total industry support."

—Dorothy Dee

U.S. CULINARY TEAM WINS 12 GOLD MEDALS IN JAPAN CONTEST

The U.S. Culinary Team captured 12 gold medals during Japan's World Culinary Contest held last month in Osaka.

Other honors garnered by the U.S. team in the Osaka competition included first and third place awards in the cold food competition between city teams, a prize of honor from Switzerland and trophies from the city of Osaka and the German Chefs Association.

Although the 1984 U.S. Culinary Team encountered difficulties, including kitchens designed for Japanese-size chefs (with preparation tables only 70 cm high) and a broken oven, the team returned home with its share of honors.

The U.S. team tied for third place with Canada and Switzerland. Germany took top honors, and Japan won second place.

Important training ground...

Though not a prerequisite for eligibility in Frankfurt, the Osaka competition was an important training ground. According to U.S. Culinary Team Manager Ferdinand Metz, "Osaka was an opportunity to iron out any minor wrinkles or weaknesses before Frankfurt. It gave us an opportunity to fine tune the national team and provided regional team members with an opportunity to work together."

The Osaka competition is the second and last international contest before October 1984. (At the March 1983 International Culinary Competition in Klagenfurt, Austria, the 1984 U.S. Culinary Team won the grand prize, 11 gold and two silver medals as well as seven other special awards.)

Officially titled Japan's World Culinary Contest '83, the Osaka competition was Japan's first attempt to stage a world class culinary competition. Held at the International Trade Fair Halls in Minato as part of the Osaka International Gourmet Fair, the three-day competition drew 325,000 visitors and accomplished chefs from 12 nations.

Chefs from around the world competed in one of three capacities—as members of national teams, city teams or as individual competitors. In all there were 12 national teams, 21 city teams and individual competitors from six countries. Each category competed against those with the same classification—matching national team against national team, city team against city team and individual competitors against other sole contestants.

Hot food competition domain of national team...

While all teams and individual contestants compete in the cold food competition, the International Restaurant or hot kitchen competition is the exclusive domain of the national teams.

The members of the 1984 U.S. Culinary Team—Chefs Richard Schneider, Tim Ryan, Lyde Buchtenkirch and Dan Hugelier—competed against chefs from Australia, Italy, France, India, Finland, England, Japan, Canada, Luxembourg, West Germany, Switzerland and Austria.

In the cold buffet each team or individual contestant produced a variety of cold food platters and dishes for anywhere from four to eight people. The American offering included stuffed salmon oysters, veal medallions, combination seafood and venison platters, hors d'oeuvre trays and fish dishes.

During the International Restaurant or hot kitchen competition each national team prepared 200 servings of two hot specialties (twice the amount required in Frankfurt). These portions were then sold to visitors of the fair. The U.S. team prepared both a fish and meat entree. The fish item, titled "Fillet of Striped Bass, Nantucket," consisted of a pike mousse on fillet of sea bass with a slice of salmon. It was served with stir fry vegetables, sour cream dough stuffed with mushroom puree and a salad. The meat item, called "Pork Medallions Hudson Valley," was pork medallions stuffed with sauteed vegetables and served with green beans, cherry tomatoes, mushroom caps, sauteed potatoes with bacon and a salad.

Entries for both the cold buffet and hot kitchen competition were scored on the basis of composition, preparation, arrangement and originality. A range of 0-15 was assigned for composition or taste, 0-10 points for preparation, 0-15 points for arrangement and 0-10 points for originality.

Fillet of Striped Bass, Nantucket

(Prepared by the U.S. Culinary Team in Osaka, Japan)

Yield: 8 servings

8 filets of striped bass (2 1/2 to 3 ounces)
Mousseline forcemeat
8 thin slices smoked salmon
8 ounces fish stock or clam juice
8 ounces white wine
8 ounces heavy cream
2 ounces butter
2 tablespoons fresh tarragon
Salt and pepper to taste

Season bass fillets. Top with mousseline forcemeat, then add a slice of smoked salmon. Place in a buttered saute pan; cover with stock and wine. Bring to a boil on top of stove, cover and cook in a 350 degree oven for 12-15 minutes or until forcemeat is firm. Remove fish from pan and keep hot. Reduce cooking liquid by boiling over high heat. It should be reduced to a syrupy glaze. Add the heavy cream and tarragon, simmer until lightly thickened; whip in the butter. Correct the seasoning with salt and pepper and pour over fish. Serve with steamed leeks and mushroom puree.

Mousseline forcemeat

3/4 pound pike (boneless and skinless)
1 cup heavy cream
1 whole egg
Salt and white pepper to taste

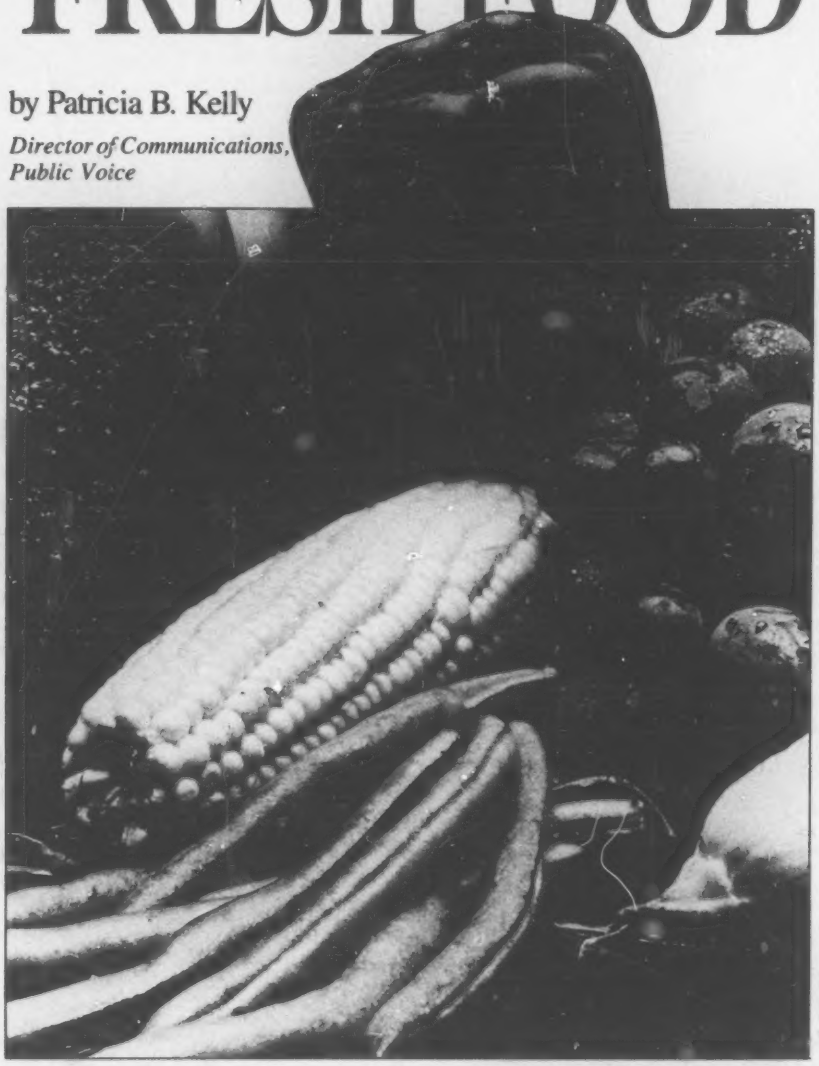
In a food processor, puree the pike until smooth. Add the egg and cream. Season with salt and white pepper.

NUMBER 3 IN A SERIES

THE SEARCH FOR FRESH FOOD

by Patricia B. Kelly

Director of Communications, Public Voice



Chef Nora Pouillon and her two partners in the Nora Restaurant in Washington, DC, shared an initial goal: They wanted to create a restaurant that would promote healthful, tasty, organic food. And they believed they could do it without making it vegetarian.

Jeremiah Tower, a consulting chef at Chez Panisse and currently at the Santa Fe Bar & Grill in Berkeley, CA, wanted to respond to patrons who came "looking for something new, who wanted the best taste, the freshest ingredients."

Pouillon and Tower are pioneers in the nutrition movement in restaurants. They have successfully designed and carried out their own visions of what a restaurant nutrition program should be, eschewing the road map route to restaurant nutrition. But they, like other health-conscious restaurateurs, have confronted a critical challenge: how to find adequate, reliable sources of fresh food.

Finding the food...

The ingredients for the meals used by nutrition-conscious operators come from over the backyard fence and across the continent. Most restaurateurs like the food closer to home; some even grow it themselves. Others have cultivated local and regional sources, often nurturing fledgling suppliers or even helping to launch new businesses with their special orders. For each restaurateur, the blend of fresh-food sources is unique.

The owners of Jerome's Fresh Food Restaurant in Chicago, IL, select their own food items after careful research. This research includes trips to stores, distributors, food processors, open air markets, other restaurants, samplings, tastings and extensive reading. "We inspect fisheries, examine meat plants and work with local butchers," explains co-owner Jan Lucas. "People are pretty willing to help each other," she adds.

The results are close working relationships with suppliers and a daily menu that changes with the availability of selected produce, meat, fish and poultry. "If you find a good purveyor, you stick with him," says Lucas. Jerry Woznyj at Clearwater Fisheries, just a few doors down the street from the restaurant, has become a good friend and the main supplier of the restaurant's catch. Woznyj shares his knowledge of the fish business with the Lucases, and they, in turn, offer recipes and teach occasional cooking classes at the store. It's a mutual relationship that is acknowledged on the menu: "Today's seafood, provided by our friend Jerry Woznyj at Clearwater Fisheries."

Jerome's has also found suppliers of free-ranging chickens and ducks (that roam the chicken yards), purveyors of locally-grown herbs and a growing number of food importers for such exotic items as wild mushrooms. According to Lucas, more and more suppliers come to the restaurant trying to sell their products because there are a lot more companies starting out. Many of them feature regional foods. How does she decide which products to buy? You sample, she says, and go on your feelings. "It's a one-shot deal. You make a small purchase and then see if you can work with the product," she explains.

Sometimes Lucas finds a product she likes in a store. She may buy it for a while at retail prices until she builds up enough rapport with the owner to get the name of the wholesaler. "There is no one source for everything you need," she says.

Nora's in Washington, DC, has also built up a list of suppliers, but the restaurant's organic food orientation

makes the fresh food search even more challenging. When Chef Nora Pouillon started looking for suppliers, she turned to the yellow pages and then built on word-of-mouth recommendations. It's a small community, says Pouillon, so all suppliers of organic foods know each other.

All the red meat for the restaurant comes from one supplier, Garnett-CBS of Northern Virginia. The beef, veal, lamb and pork are all additive-free. The poultry comes from a local grower and the fish from local fishermen. The restaurant also supports a small farm in West Virginia and buys other produce from Organic Farms in Maryland—one of the largest wholesalers on the East Coast. In addition, Pouillon grows herbs in a garden in front of the restaurant ("a great advertisement for our fresh-food philosophy," observes Pouillon) and supplements this crop from a local grower. Now and then, a neighbor carries an armload of arugula to the kitchen door.

Small growers are more reliable than larger suppliers, contends Pouillon, but—since there are no controls—you have to take their word that their produce is organically grown.

Across the continent, Greens restaurant in San Francisco, CA, echoes the difficulties of finding organic food sources. "It's a complicated, seat-of-the-pants process," maintains director Jay Kenyon. Like Nora's, Greens experiments with a range of small growers and, as a vegetarian restaurant, especially seeks out farmers who will custom-grow some produce.

Although the mix of ranches and farms varies each year, there are suppliers who have been with Greens for several years. Some of the regulars are a result of personal contacts at the Farmer's Market. Others brought their produce to the loading dock. Still others have been pursued by Greens. Owned by the Zen Center of San Francisco, Greens has more purchasing clout than most independent restaurants because Greens buys for its grocery store adjunct and three practice centers. In fact, Greens has hired a cook who also has full responsibility for produce ordering. She spends 10 hours a week buying supplies for Greens.

In neighboring Berkeley, CA, Chez Panisse evolved its unique approach to food as a result of unexpected local supplies. "People were coming to the kitchen with things from their gardens," says Tower. The local bounty inspired Tower to experiment with these ingredients and to look for other sources of fresh food as well. He started buying fish from deckhands on charter boats. And he started doing something else he describes as untraditional among chefs—sending back to distributors meat and produce he considered unacceptable.

Local food distributors began to respond, influenced by Panisse patrons who sought the restaurant's ingredients at local groceries as well as by the growing needs of the restaurant kitchen. Today in Berkeley there is an international network of grocery outlets and suppliers who can provide a vast range of food items.

> "There is no one source for everything you need"

"Sometimes you just run out of things"...

A fresh-food restaurant faces special challenges with its inventory. Eating fresh means that "sometimes you just run out of things," says Jan Lucas of Jerome's. "It's hard to plan so you're not left with leftovers. This means sometimes patrons don't get the special of their choice."

Nora's faces unusual problems in this area, too. The restaurant's specially-ordered organic meats are delivered by the carcass, requiring Pouillon to employ a full-time butcher and to find uses for the whole animal.

"I get tons of ground meat and stew

Planning the fresh-food search

"Find great sources," advises Nora Pouillon of Nora's Restaurant in Washington, DC. For some restaurateurs this means growing your own produce—at least a little. For most it means choosing a local supplier among an increasing number of specialty growers who are willing to serve a restaurateur's individual needs and, in the process, help their own businesses grow.

Here are some steps to begin your food search, based on the experience of independent restaurateurs featured in the *Nutrition and the American Restaurant* report.

1. Plan at the outset to spend extra time and extra money. It takes time to shop around for growers or suppliers who will provide specified items, and it takes money to buy and cook fresh. Two of the restaurateurs featured in the report estimated that offering fresh food entrees costs 25 to 30 percent more than offering meals using frozen, canned or processed ingredients.

2. Use local supplies if you can. It is costly and can be unreliable to order food from long distances. Shipping time and quantity assurance are special problems with long-distance orders.

3. Grow your own produce as much as possible; herbs are a good place to start. Herb gardens can make attractive decorating and advertising features, too.

4. Get your neighbors to grow for you or to share their harvests with you. Some restaurants barter meals for local produce.

5. Approach local and regional specialty growers, farmers and fishermen—even those who have never provided food for restaurants in the past. You can make your own deals, and help their businesses expand.

6. Ask established suppliers to fill your specified needs. Visit the plants and fisheries. Make your own selections. Build relationships with the people involved.

meat to two fillets," she says. It's a particular challenge to use these products and cook "light" at the same time. Thus, testicles may find their way on to the menu; but fatty sauces don't. And Nora has to explain why she no longer offers a popular dish for which the meat is, perhaps, not available.

Fresh ingredients and their treatment are inseparable. Basically, health-conscious chefs are cooking simpler and lighter fare. They are de-emphasizing fats and reducing salt and calories, leaving food as close to its natural state as possible.

"You should cook so that the color remains," says Jeremiah Tower. "The result is a style of food that's healthy and looks wonderful. Nutrition follows naturally." ❑

Cooking simple and light

All the chefs featured in the *Nutrition and the American Restaurant* report agree that today's healthier restaurant fare is the result of fresh foods that are cooked with lighter, simpler, more natural techniques. Most opt for quicker methods, too. All aim for visual appeal as well. Here are some of their guidelines:

1. Use no chemicals or preservatives and little or no salt. Opt for herbs whenever possible.

2. Focus on roasting, grilling, broiling or baking—not deep-fat frying or breading.

3. If you use sauces, keep them light. Consider combinations of olive oil or soy with lemon, lime, ginger or other herbs.

4. Prepare your own baked goods, condiments, breads, desserts, pasta, mayonnaise and salad dressings. In this way you can control more ingredients and more of the meal.

5. As Jeremiah Tower of Chez Panisse points out, there is no need for two vegetables and a potato on every plate. Look carefully at your side dishes. Tower pairs mesquite-grilled meat, poultry and fish with chutneys of fresh fruits and vegetables and light salads.

CASE REPORT

FRANKENMUTH BAVARIAN INN PROCESSES

60 TONS OF SQUASH

The Frankenmuth Bavarian Inn in Frankenmuth, MI, knows how to squeeze the most out of the area's annual squash harvest.

During an eight-week period this fall, the inn's squash crew processed 60 tons of the Blue Hubbard variety. Half will be served to diners before Christmas. The rest will be frozen in 18-pound bricks for use next summer.

"We can process about 150 squash in a 12-hour day," says Dorothy Zehnder, manager of the inn's kitchen, who has organized the squash operation over the past 33 years. "We hire six employees who work on nothing but the squash. They work two shifts, four days a week and turn a section of our kitchen into a genuine food processing plant."

The squash processors begin work each year in early October. This year 40 tons of squash were delivered Oct. 1 and stacked along the dike behind the inn. The other 20 tons were stored in a nearby barn.

Assembly line approach is used. . .

Zehnder has the processing down to a science. The assembly line approach is used for maximum efficiency.

About 200 squash are brought into the restaurant each morning. (They weigh between 40 and 60 pounds each.) The workers wash and then cut them with a high-powered butcher saw. A third person is in charge of the cooking.

The squash halves are raised into huge cookers on a hoist and steamed for 45 minutes. Once they cool, two more workers scrape the pulp out. One person supervises the crew.

Zehnder explained the squash is flavored with butter, brown sugar, salt and all-purpose seasoning right before serving. The vegetable has about 55 percent yield once it is cooked.

Squash in freezers around town. . .

The squash doesn't stay in the Frankenmuth Bavarian Inn kitchen very long. About 1,200 pounds are served to diners each weekend in the fall. The rest of the squash is frozen and stored—some at the inn and the rest in rented freezer space around town until it is served next July and August.

Although the processing allows the inn to extend the squash season on its menu, the project does create some problems. For example, most of the inn's part-time summer help is gone by the time the work begins so an extra crew is needed. There is some competition for equipment use as well since the squash crew needs meat cutters from the meat department and cooling racks from the baking department. The dishwashers end up with an extra load too—stacks of squash-stained pots and pans.

Squash processing at the Frankenmuth Bavarian Inn is a traditon. For the past 18 years, local farmer Fred Weiss has provided the squash. This year, four acres of his land yielded a record 93 tons. ❑

Food Moonlighters

New breed of specialty suppliers

by Jean Lawrence

Spurred on by the popularity of regional American foods, the number of door-to-door food entrepreneurs is growing. Here is an insider's look at how many of these suppliers get their start—valuable insight if you are contemplating marketing a speciality item or want to encourage the efforts of a local entrepreneur.

It all begins so innocently. Just six little words: "You ought to sell that cake." Perhaps it's "that spinach pate" or "smoked bluefish," even "that pear chutney" or "your magic marinade."

In any case, within months, a simple compliment can grow into an 18-hour-a-day dual existence of a regular daytime job and late-night cooking.

It's the world of the food moonlighters, the cadre of free-lance cooks working on the QT out of their own homes or in rented kitchens to supply a city's restaurants, carryouts, business meetings, caterers and food boutiques with goodies ranging from artichoke bread to zucchini sticks.

From cart to factory...

"Yes, people told me I should sell my cakes," confirms Dean Kolstad of Ms. Desserts in Baltimore, MD. "So I said, 'Why not?' and started baking. I used to bake until two in the morning and roll the warm cheesecakes over my snowy front lawn on a little cart in the dark and fall into bed. Then I'd be up at six a.m. to feed the kids and go out and deliver everything I had made before going back to start all over again—six or seven days a week."

Eventually, Kolstad went into partnership and opened a factory called Ms. Desserts.

Many of the bakers interviewed report that they tally the cost of their ingredients, packaging, outside help, if any, and other direct costs and triple or even quadruple it to arrive at a price for their goods. Most do not include their own labor at first. Kolstad reports that food costs at Ms. Desserts are a high 54 percent.

Backing from friends...

Money is a problem for most moonlighters. Even when they make a profit, cash flow can be troublesome. Jane Becker of Homespun, a cozy storefront in Washington, DC, that grew out of her expertise with cranberry chutney and now features an assortment of condiments, says the banks would not talk to her; and she got backing from friends instead.

Becker was a victim of Reaganomics. When her real-estate business slumped in 1980, she succumbed to the urging of friends and tried "to do something with" her "famous" cranberry chutney. Modest marketing efforts landed her a spot in a Christmas catalog in 1981. That, combined with a sample-dropping jaunt up the Eastern seaboard, brought her enough orders to justify opening her own kitchen.

Now, Becker cooks nearly six days a week while still keeping a hand in real estate. She turns out 500 jars of preserves, chutney, conserves and other condiments, such as cranberry catsup. Thus far, she has amassed nearly 100 accounts.

Cookies in a pizza oven...

Pizza, oddly, helped lead to Wendy Granat's success in the cookie business. She left a government job and started turning out her mother's macaroon cookie recipe in her uncle's pizza restaurant, in partnership with her sister. Thus was born Sweetykin, or as it is better known to connoisseurs of the ubiquitous cookie half dipped in chocolate, "Mother's Macaroons."

For obvious reasons, the pizza oven was soon abandoned in favor of various bakery and catering kitchens, where Granat whips up orders. Her biggest batch was 10,000.

A big problem for Chris Tencza, a free-lance public relations writer who markets a number of pastry items to name restaurants under the brand Sweet Things, is the isolation of baking alone. "It is also hard physical labor," she reports. "I do all my own shopping, and sometimes that means lugging 200 pounds of chocolate all by myself."

Creative marketing...

Marketing is the most exciting aspect of the business to most moonlighters. "It can be a wonderful, creative process," according to Tencza. Like the others interviewed, she relies on "word of mouth" and cold calls in which she takes samples around to even the most exalted restaurants and shops and leaves her name. In most cases, it's a COD business.

"You get a really good look at life in the marketplace," notes Kolstad. "Really, I see the cake as secondary. Starting this business was really a coming of age for me as a woman."

Although many moonlighters bake in legal kitchens, most have lived within the spirit rather than the letter of the law at some time during the development of their business.

Two catalysts...

Polly Russell, marketing director of the American Cafe restaurant group in Washington, DC, is familiar with the challenges.

"A large number of products sold in this country are produced at home," Russell insists. "I think it started because of the increasing awareness of food quality. People wanted more than they could get in packaged foods.

"I also think," continues Russell, "that we are trying to get away from the European influence and be proud of our purely American foods. Home products are a vital part of this revolution. People attach little pamphlets to their products and really invest them with their personality."

Like all food moonlighters, Granat, the mother of "Mother's Macaroons," would agree. "I really enjoy my cookies," she grins. "Each cookie is handmade with love. Literally handmade. I dip each one in the chocolate by hand." All 10,000 of them. ❑

HALF BAKED

Champagne and gold brooms to sweep away a bad reputation

There's nothing like champagne and gold brooms for cleaning up a less-than-classy image. That's what the Court of Two Sisters Restaurant in New Orleans, LA, had in mind when it christened a new flagstone sidewalk with 50 bottles of champagne and then swept it with gold-plated brooms.

The French Quarter, where the restaurant is located, has received unfavorable publicity about its dirty streets. The owners of the restaurant hoped the event would set an example in making New Orleans known as "Clean City, USA" before the 1984 World's Fair.

More than 10,000 tourists and residents were invited to view the christening and have a free drink of champagne on the restaurant. The Court of Two Sisters stocked up on 600 bottles of the bubbly for the occasion.

—USA Today

Organic food rates a write-off

A little research provided a large payoff for a couple with severe allergies to processed food. In a case decided by the tax court, this couple was allowed to deduct half of their $6,000 organic food bill as a medical expense. The couple figured they payed $3,000 more for their food than they would have if they shopped in supermarkets. One reason the tax court was unusually sympathetic to the couple's plea was because they backed up their claim for a deduction with ample evidence—including Department of Labor (DOL) data for the cost of food in their area.

—USA Today

Popcorn—not for humans only

Popcorn—it's an American favorite that isn't only for humans. Although going to the movies without a bag of popcorn is an incomplete experience, popcorn is more than a treat for some of man's furry and feathered friends. It's their breakfast, lunch and dinner. .

In Eagle Creek, OR, a group of cattle, horses, sheep, mules, donkeys, ducks, geese, pigs and billy goats live off popcorn, with only occasional grain and clover supplements. They eat two dozen 55-gallon drums and six 110-pound boxes of popcorn a week. Although the popcorn is stale and a lot of it flavored, it's free. Farmer Leon Whistler takes whatever he can get from The Poppers Supply Co, which turns over popcorn returned from grocery stores, theaters and carnivals.

The animals are discerning consumers and have their favorites. The horses prefer plain popcorn. The pigs like their popcorn cheese-coated. The colts opt for caramel and chocolate-coated popcorn. And the goats, true to form, gobble up anything.

—USA Today

An anniversary guessing game

A restaurant sells a lot of dinners in a 20-year period. But exactly how many? That was the question owner Billy Siegel put to the patrons of That Steak Joynt, Chicago, IL, as part of his month-long 20th anniversary celebration last fall.

This very carefully monitored contest had more than 500 participants. The entry guesses were kept under seal at the *Chicago Tribune* food department until the final day of the contest. The winning patron's crafty calculations yielded him a $150 bottle of Beaulieu Vinters, 1963 Cabernet Sauvignon, Georges de Latour Private Reserve, and dinner for four at the restaurant.

What was the correct number of dinners served in That Steak Joynt's 20-year history? A mere 2,438,257. The closest guess was 2,438,000.

—NRA NEWS interview

One way to sweeten taxes

A sweet tooth can do more than add up calories. It can also help keep taxes low. That's what it does for a small town in Nevada. The 150 residents of Genoa keep their taxes low or eliminate them altogether with the proceeds from a yearly one day candy sale and dance. Every fall, since 1919, visitors flock to Genoa to buy fudge rocky road, divinity, penuche and peanut brittle—homemade the old-fashioned way.

The proceeds go to pay for the town's electric bill for 1,919 street lights. Leftover money helps fund maintenance costs of the town's dirt side streets and Main Street buildings.

Last year's proceeds came to $7,200 for 800 pounds of candy.

—USA Today

NRA SEMINAR SCHEDULE

American Regional Cookery
1/25-26 New Orleans, LA

Banquets and Buffets
1/25-26 Reno, NV
2/28-29 Philadelphia, PA

Off-Premise Catering
1/23-24 Miami, FL
1/30-31 Boston, MA

Dining Room Management
1/16 San Diego, CA
1/17 San Francisco, CA
1/30 Denver, CO
1/31 Phoenix, AZ
2/2 Kansas City, MO
2/15 Louisville, KY
2/16 Milwaukee, WI
2/27 Tampa, FL
2/29 Birmingham, AL

Controlling Food Cost
1/23 Houston, TX
1/24 New Orleans, LA
2/27 Schaumburg, IL

Kitchen Management
1/16 Portland, OR
1/17 Seattle, WA
1/19 Los Angeles, CA
2/6 Albuquerque, NM
2/8 Wichita, KS
2/15 Washington, DC

Principles of Labor Cost Management
2/6 New York, NY

Advanced Labor Cost Management
2/7 New York, NY

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation
1/16-17 Richmond, VA

Creative Merchandising Techniques
1/23 Atlanta, GA
2/24 Miami, FL

Motivation: Increasing the Desire to Do More and Better Work
1/26 Reno, NV
2/15 Portland, OR
2/27 Portland, ME

Basic Purchasing
1/9 Detroit, MI
2/20 Atlanta, GA

Soups and Sauces
2/6 Boston, MA
2/8 Philadelphia, PA

Basic Supervision in Foodservice
2/26 Washington, DC
2/28 Denver, CO

Train the Trainer
2/17 Spokane, WA

Wine: Sales and Merchandising
2/9 Cincinnati, OH

NRA Conferences 1984

1/9-12 **9th Annual Tableservice Conference**
Las Vegas, NV

2/19-22 **National Conference on Computers in the Foodservice Industry**
Orlando, FL

3/19-22 **2nd Annual Conference on Alcoholic Beverage Service**
San Francisco, CA

NRA Hospitality Project Workshops

Dallas, TX
2/20-21 Fast Food
2/22-23 Full Service
2/27-28 Cafeteria

Washington, DC
3/5-6 Fast Food
3/7-8 Full Service
3/12-13 Cafeteria

For more information, contact:
NRA Education Programs
311 First Street, N. W.
Washington, DC 20001
800-424-5156

STUDY GROUP MEETINGS

Labor Relations
1/18-19 Dallas, TX

Market Research
2/29-3/2 Orlando, FL

Internal Audit
3/14-16 San Antonio, TX

Financial Officers
4/4-6 San Francisco, CA

Tax Executives
4/4-6 San Francisco, CA

Marketing Executives
4/8-11 Washington, D.C.

EDP
4/24-27 Clearwater Beach, FL

Purchasing
5/16-18 Chicago, IL

MAECO
5/16-18 Chicago, IL

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525

IN-HOUSE SEMINARS MAY BE ARRANGED UPON REQUEST.

NATIONAL CONFERENCE ON
COMPUTERS IN FOODSERVICE

Selecting a computer is like choosing a new pair of shoes. If you don't get the right fit, neither the shoes nor the computer will be of much use. What counts is finding your size in an appropriate style. You have had a lifetime of experience choosing the right shoes. But what about computers?

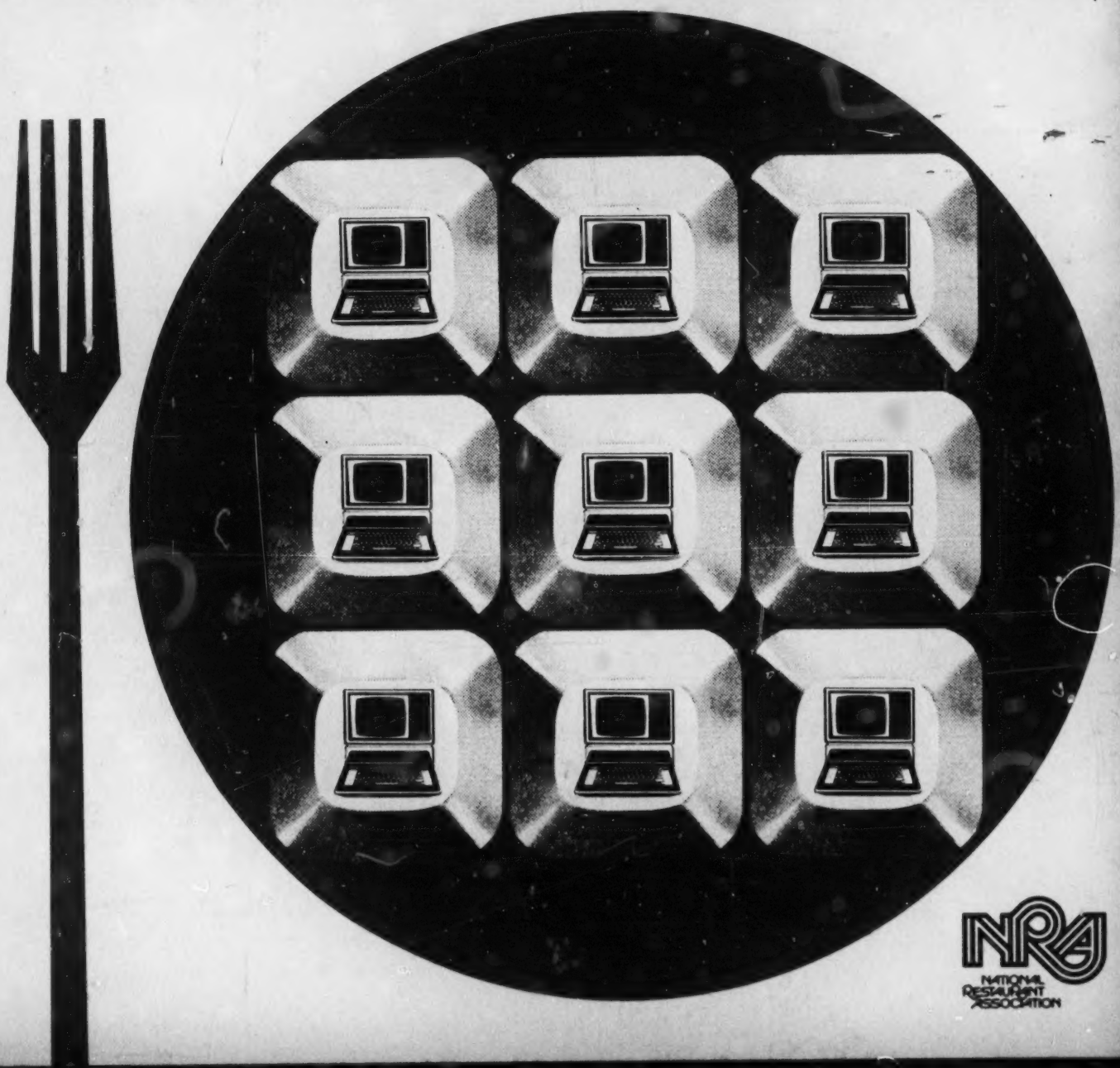
NRA's ***National Conference on Computers in Foodservice*** *wants to help you select and/or build a total computer system to fit your operation.*

There is no doubt that computers are one of the hottest technologies in the foodservice industry. Within the next few years, every operator who is going to survive the 80s should have a computer system in place. The size of your operation no longer matters. There is a system to match almost every situation. Attend ***Computers in Foodservice*** *and find out what is right for you.*

For more information, contact NRA's Education Programs Department at NRA, 311 First St., NW, Washington, DC 20001 or call (800) 424-5156.

FEBRUARY 19-22, 1984

ORLANDO, FLORIDA



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NATIONAL RESTAURANT ASSOCIATION